

101038

JPRS 75177

21 February 1980

# West Europe Report

No. 1545

**FBIS**

**FOREIGN BROADCAST INFORMATION SERVICE**

REPRODUCED BY  
NATIONAL TECHNICAL  
INFORMATION SERVICE  
U. S. DEPARTMENT OF COMMERCE  
SPRINGFIELD, VA. 22161

A) 6  
B) 143  
C) A07

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Indexes to this report (by keyword, author, personal names, title and series) are available from Bell & Howell, Old Mansfield Road, Wooster, Ohio 44691.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

JPRS 75177

21 February 1980

# West Europe Report

No. 1545



FOREIGN BROADCAST INFORMATION SERVICE

<b>REPORT DOCUMENTATION PAGE</b>		1. REPORT NO. JPRS 75177	2.	3. Recipient's Accession No.
4. Title and Subtitle WEST EUROPE REPORT, No. 1545			5. Report Date 21 February 1980	
7. Author(s)			6.	
9. Performing Organization Name and Address Joint Publications Research Service 1000 North Glebe Road Arlington, Virginia 22201			8. Performing Organization Rept. No.	
			10. Project/Task/Work Unit No.	
			11. Contract (C) or Grant (G) No. (C) (G)	
12. Sponsoring Organization Name and Address  As above			13. Type of Report & Period Covered	
			14.	
15. Supplementary Notes				
16. Abstract (Limit 200 words)  This serial report contains political/economic information on West European energy, finance and trade policy matters as well as developments and trends in the doctrine, programs and problems of the major communist parties, including their relations with communist parties outside the West European area. The report also contains information on Theater Nuclear Forces and elections to the European Parliament.				
17. Document Analysis a. Descriptors				
Political Science	International Affairs	Iceland		
Sociology	X Austria	X Italy		
Propaganda	X Belgium	Luxembourg		
Economics	X Canada	X Netherlands		
Energy	Cyprus	Norway		
Industry	X Denmark	Portugal		
Trade	X Federal Republic of	X Spain		
Finance	Germany	X Sweden		
Theater Nuclear Forces	X Finland	Switzerland		
	France	X Turkey		
	X Greece	United Kingdom		
b. Identifiers/Open Ended Terms				
c. COSATI Field/Group 5C, 5D, 10				
18. Availability Statement Unlimited Availability Sold by NTIS Springfield, Virginia 22161		19. Security Class (This Report) UNCLASSIFIED		21. No. of Pages 140
		20. Security Class (This Page) UNCLASSIFIED		22. Price



21 February 1980

## WEST EUROPE REPORT

No. 1545

## CONTENTS

PAGE

## COUNTRY SECTION

## AUSTRIA

- 1980 Economic Prognosis Overshadowed by Oil Crisis  
(NEUE ZUERCHER ZEITUNG, 10 Jan 80)..... 1

## BELGIUM

- Martens Acquires Reputation as Astute Government Leader  
(Johan Struye; KNACK, 16 Jan 80)..... 4
- VU Needs Schiltz To Reaffirm its Position  
(KNACK, 16 Jan 80)..... 11

## CANADA

- Quebec Press Comments on PQ Referendum Question  
(Various sources, 21, 22 Dec 79)..... 15
- One More Step, Editorial by Marcel Pepin  
One Step Sideways, Editorial by Michel Roy  
Lifeboat Strategy, Editorial by Marcel Adam

## DENMARK

- Central Bank Director Hoffmeyer's Economy Warnings Cause Storm  
(BERLINGSKE TIDENDE, various dates)..... 22
- Lists Necessary Steps, by Frank Dahlgaard  
Sees Foreign Creditors Consortium, by Erik Hoffmeyer  
Parties Should Listen, Editorial  
National Debt Chief Disputes, by Frank Dahlgaard  
Bank Has Right To Warn, Editorial

CONTENTS (Continued)	Page
'Crisis Package' Wage Restraint Brings Strikes (BERLINGSKE TIDENDE, various dates).....	31
Several Employers Affected, by Lisbeth Nebelong Strikes Threaten Economy Pact, by Lisbeth Nebelong, Peter Kjelstrup Union Leaders Criticized, Editorial LO's Nielsen Attacks Pact Finance Minister Weighs Demands, by Lisbeth Knudsen	
FEDERAL REPUBLIC OF GERMANY	
Admiral Luther Describes Navy's Mission, Needs (Gunther Luther; TRUPPENPRAXIS, Jan 80).....	37
Strauss Seen Losing Favor Among Industrialists (DER SPIEGEL, 28 Jan 80).....	45
FINLAND	
Komissarov Threats Against Finland May Backfire Against USSR (UUSI SUOMI, 2 Dec 79).....	52
Party Leaders Now See Chance Kekkonen May Remain After 1984 (SVENSKA DAGBLADET, 3 Jan 80).....	54
International Situation Factor 'Third Republic'Wanted	
Kekkonen's Feud With Virolainen May Cost Latter Job (HELSINGIN SANOMAT, 12 Jan 80).....	58
New Liberal Party Chairman Demands Responsive Government in 1980's (Silja Linko-Lindh; HELSINGIN SANOMAT, 25 Nov 79).....	61
Saarinén to Stalinists: Let Party Vote on Government Role (HELSINGIN SANOMAT, 21 Jan 80).....	68
Saarinén Angry, Ready To 'Purge' Central Committee Stalinists (Editorial; HELSINGIN SANOMAT, 22 Jan 80).....	70
Party Leaders' Reaction to Afghan Events Deemed 'Nonsense' (Editorial; UUSI SUOMI, 10 Jan 80).....	71
Commentator Attacks 'Cowering' of Parties (Veli-Antti Savolainen; UUSI SUOMI, 11 Jan 80).....	72

CONTENTS (Continued)	Page
Domestic Peat Price Rises Wildly (HELSINGIN SANOMAT, 21 Jan 80).....	74
GREECE	
Pistols Destined for Beirut Seized (I VRADYNI, 16 Jan 80).....	77
Retired Officers Meet With Markezinis (ELEVTHEROS KOSMOS, 17 Jan 80).....	80
ITALY	
Rightist Terrorist May Be Active in Catania (L'ORA, 17 Dec 79).....	81
Leftist Terrorists Arrested in Sassari (GAZZETTA DEL SUD, 20 Dec 79).....	83
Sicilian Regional Government Deadlocked (Danilo Granchi; IL GIONALE NUOVO, 14 Jan 80).....	85
Campania Co-op Regional Board Member Comments on Unemployment (Raffaele Beato; IL MATTINO, 20 Dec 79).....	88
New Bill Would Speed Aid to the South (Renato Caserta; IL MATTINO, 20 Dec 79).....	90
Crisis in Sicilian Regional Government Analyzed (GIORNALE DI SICILIA, 13 Dec 79).....	93
Nature of Crisis in Sicilian Regional Government Detailed (Piero Fagone; GIORNALE DI SICILIA, 13 Dec 79).....	95
NETHERLANDS	
CDA Facing Power Struggle Within Ranks (Rene de Bok; ELSEVIERS MAGAZINE, 15 Dec 79).....	98
Goudzwaard's Breaking Away From CDA Scrutinized (Rene de Bok; ELSEVIERS MAGAZINE, 19 Jan 80).....	105
Beyen Emphasizes Need for More Aggressive Export Business (Karel Beyen Interview; ELSEVIERS WEEKBLAD, 5 Jan 80)...	110
Power Plants Face Shortage of Fuel Oil (W.G.J. Bavelaar; ELSEVIERS MAGAZINE, 12 Jan 80).....	120

CONTENTS (Continued)

Page

SPAIN

- PCE's Eurocommunism Becomes Frayed  
(Eppo Jansen; NRC HANDELSBLAD, 25 Jan 80)..... 124

SWEDEN

- First Woman Elected to Swedish Royal Military Academy  
(Erkki Pannanen; HELSINGIN SANOMAT, 25 Nov 79)..... 128

TURKEY

- Systematic Flaws Said To Block Democratic Government  
(Cengiz Ilhan; MILLIYET, 11 Jan 80)..... 132



## 1980 ECONOMIC PROGNOSIS OVERSHADOWED BY OIL CRISIS

Zurich NEUE ZUERCHER ZEITUNG in German 10 Jan 80 p 12

[Article by gr.: "Austria's not Unfavorable Economic Balance; Oil-Troubled Prognoses"]

[Text] Vienna, early January--The Austrian economy has had an unexpectedly good year. The growth rates anticipated a year ago for the gross domestic product (BIP) and its most important subgroups have consistently been exceeded. The verdict of the Institute for Higher Studies (IHS) even includes the statement that Austria in 1979 "was largely able to realize all important economic goals, although at the cost of an unchanged high budget deficit."

The prognoses for 1980, on the other hand, indicate an all the more uncertain future. Influenced by the processes of the oil markets they have become more pessimistic and forecast a distinct slowdown in the economy to about half of last year's growth rates.

#### Well Utilized Industrial Capacity

Overall, the monthly report of the end of December by the Institute for Economic Research (Wifo) found the general economic situation to be good well into fall. However, the development of overall demand during the first half of the year--extremely lively from abroad, increasing at home--no longer kept up in the third quarter. Domestic demand, above all for durable consumer goods and passenger cars, clearly dropped, but export demand compensated for this change in tendency. The economy profited from the great inventory buildup for which the international economy is responsible and thereby from a "structure" which is actually held to be the weakness of the Austrian industry, that is to say from the large proportion of raw materials and semifinished products in the production and export. Industrial capacity was utilized above average in the fall, after normal utilization of 85 percent had already been reached in mid-year.

However, a turnaround in the industrial economy was evident in the production figures at the beginning of fall, although the economic trend check in October with above-average results for order levels, export orders, stocks of finished products, production and price expectations as well as investment ventures showed the best results since mid-1974 and thereby in fact had indicated that the industrial boom would last.

#### Impressive Real Growth

For 1979 the two forecasting institutes expect an overall economic growth rate in terms of real value of 5 percent, as compared to the 3 percent predicted a year ago. The most important contribution was made by the export of goods which grew by 13 percent in terms of real value and 17 percent nominally and thus almost as much as in 1976, but it grew more rapidly than goods imports (real value 10 percent and nominally more than 16 percent). Private consumption and gross investments contributed to overall growth with 5.5 percent and 4.75 percent, almost twice as much as predicted.

With 2 percent the unemployment rate for 1979 will just about be the same as in the last few years and will be lower than originally anticipated (2.4 percent). Only consumer prices with an annual average rate of price increase of 3.6 percent will exceed the prognosis (3 percent), mainly as a result of "imported inflation" through energy and raw material prices.

#### Prognoses for 1980

Impressed by events in the oil market the Institute for Economic Research in the usual revision before Christmas clearly reduced its prognosis for 1980 from 3 to 2.5 percent real growth of the GDP and thereby approached the always more cautious prognosis of the IHS (2.2 percent). The Wifo institute declared itself of the opinion that the economy (in Austria as well) more than before will be "influenced by the threat of oil price increases." The situation is said to be even more similar to that of the first half of 1974 than was still assumed as late as early fall, and the industrial nations should expect an almost equally large accumulated drop in purchasing power in terms of real value but should not expect the equally great risk of a sudden economic recession and the shrinking of the social product. In other words, the investment climate is held to be more resistant than in 1974/1975.

However, even for the assumption of a clear economic slowdown the oil prices remain the big question mark. Internationally, the Wifo institute believes that an average of \$30 a barrel official price cannot be excluded, but it calculates that official and spot prices will move closer to one another to a level below this mark. For Austria, whose average import prices in 1979 rose by 30 percent to 1,930 schillings per ton c.i.f. border, an equally

large jump to 2,500 schillings per ton is feared for 1980, so that the total energy import bill--including price increases for other energy carriers--would increase from 33 billion schillings to 44 billion schillings or from more than 12 percent to 15 percent, respectively, of the total import of goods. The most important conclusion drawn from that is that in 1980 private consumption will be able to grow "only very little" (estimate: 1 percent), because the income development "will just suffice to equalize the increasing costs of living, state taxes and social security."

#### Employment Optimism

In terms of net and real money the average annual income would scarcely be above that of 1979, and even on the premise of accelerated price increases (estimate: 4.75 percent on the consumer level) management and labor will hardly be able to alter significantly their policy of moderate wage agreements on account of potential employment risks. The prognosis expresses the hope that full employment will be maintained and that the unemployment rate will rise only a little (to 2.3 percent).

These assumptions are essentially based on the expectation that the expansion of gross investments will continue in 1980 and in particular that industry will invest 20 percent more nominally and 13 percent in terms of real value than last year. This would mean a reversal of the trend which during the 1970's reduced the share of industrial investments in gross investment from 18 to 12 percent (1976) and in the last few years let it stagnate at 13 percent. The Industry Association, at least, does not share this opinion. It believes both that the profit situation in industry is nowhere near as rosy as the Wifo institute thinks and that industrial activity--at least at constant prices--will continue to stagnate.

11949

CSO: 3103

## MARTENS ACQUIRES REPUTATION AS ASTUTE GOVERNMENT LEADER

Brussels KNACK in Dutch 16 Jan 80 pp 26-29

[Article by Johan Struye: "Cools: With Martens Everything Is Always Positive"; passages enclosed in slantlines, printed in italics]

[Text] While Wilfried Martens was never minister of anything, in less than one year's time his standing as prime minister has risen high. Public opinion, as it is often rudely expressed on the seats of public transportation after a cursory survey of the popular newspaper headlines, or in the family circle while waiting for the television news to be over, of course seldom knows what is actually going on. Only, last week Monday people did notice that the government had nearly fallen, while 24 hours later it looked more steady than ever. This awakens popular respect. The general, recent reputation of Wilfried Martens as a skilled government leader is a new element in the political climate. The political climate is a meteorology which essentially makes use of atmospheres, more than of rational factors.

The stars seemed to be so favorable to /Wilfried Martens/ that together with his plan he issued the date until which he expects to govern: until 31 December 1982. It appears that Wilfried Martens has succeeded in declaring his cabinet /immune/ for the next 3 years at the community level. Of course, the big state reform remains the priority of priorities, but the procedure was so shrewdly adapted that it would be practically impossible for the government to stumble over it.

There are politicians who never need a reason not to come before the people. Wilfried Martens, however, even after a more than nerve-racking week, did not shrink from addressing both of the country's communities in a single Sunday morning television show in their own language. Aside from these appearances, which are as much political facts as whatever he might say before parliament during the next days, the prime minister had also appeared on Walloon radio on Saturday morning. The radio medium allowed for a better assessment than television of the growing popularity which the prime minister



has acquired even in the Walloon part of the country, mixed with a palpable measure of respect and awe for his political skill, because a direct contact between the politician and the people was possible via telephone. Wilfried Martens answered questions from listeners in Daverdisse or from behind the slag heaps in the deserted mining region, courtly, patiently, precisely and efficiently.

Thus, maybe for the first time, public opinion received an explanation of what the state reform and its stages involve from the very mouth of one of the main actors. Because, where are we right now? Under the misleading flag of federalism, the theme of state reform increased in volume throughout the sixties. We experienced the restless winter of 1960-1961, the marches on Brussels, the small parties set up by /Perin/ and /Persoons/, the affair of Louvain and the visibly growing representativeness of the /People's Union/ [VU] of that time. Of course, /Gaston Eyskens, Theo Lefevre/ and /Pierre Harmel/ were politicians who had no need for this in their generation, but with the young people -- /Tindemans, Terwagne/ and others -- study groups could be created for this purpose. It turned out that Wallonia wanted regionalization in order to take its own waning fate into its hands, while the Flanders were rather in need of cultural autonomy to safeguard their own identity.

Both concepts were considered proper and attainable; the constitution would be changed. In 1971 then, contrary to the underlying political mood of many Flemish people, we /did/ get what we wanted by law, but the Walloons did /not/. All these years there has been cultural autonomy while regionalization remained stuck at the level of an embryonic principle in an article of the constitution. The patriarchal aspect of last week's Martens plan is actually nothing more than the fact that he finally wants to restore the balance so that both of our national communities can work out their final state reform on a basis of equality by 1982, in so far as this is still desired. If parliament follows the government, /regionalization/ will be a fact by the end of February. This will occur then without any concessions from the Flemish side because no amendment of the constitution goes with it. Consequently, none of the mortgages the Flemish CVP so diffidently shrinks back from will be taken out.

According to last spring's government declaration, the second phase should have been a transitional phase, whereby a few /irreversible/ facts would already have been established through constitutional amendments. None of this will happen now. Next month, a second phase will be completed which will include only temporary and reversible reforms. Still, PS [Belgian Socialist Party] President /Andre Cools/ managed to get it passed last Wednesday at his general council meeting, because the regionalization will after all obtain statutory force. Out of more than 200 representatives, only 8 voted against -- including the leftists /Yerna/ and /Petry/ -- and 4 abstained. Wilfried Martens is meeting a second fear of the CVP [Social Christian Party] by keeping the decisions of the regions during this phase subordinate to national law. None of the three regions will be able to put anything down on paper which the majority of the national

parliament could not tidily reverse. When it comes right down to it, the majority in the national parliament will of course /always/ be a Flemish majority.

The Flemish act no different in politics than they would at the annual fair. We have the visceral distrust of the farmer toward the cattle dealer. We seem to be unable to conclude an agreement without thinking deep down that the other party will break it anyway and that thus the best we can do is to anticipate him. Of course, those things which largely interfere with a clean, orthodox transaction of business (as, for example, the British and the Dutch conceive it), because 60 days for an invoice for example never remains 60 days, of course interfere no less in the area of large, honest agreements between national communities. Those things which most Flemish newspapers day in day out decisively present as constant Walloon behavior or ambitions have never figured in any representative Walloon party program. /Under these circumstances/ a state reform will necessarily have to take into account this mental trait of the majority group. The contents of the official gazette of 10 July 1979 represents the greatest contribution which the individual, Wilfried Martens, has made to date to the rise of his people. Aside from making the state university in Ghent Flemish and the splitting up of the regiments in the army, we had never achieved so much in a century and a half than we did with that first phase. As it is a fact that the Flemish, via their party leaders, do not believe a French speaker to be capable of legal honesty, the agreement was solemnly reaffirmed here that if by new year 1983 no definitive state reform has come into existence, then everything will return to the level of 11 July of last year. This kind of seesaw process becomes a little exasperating in the last quarter of this century, as if we were still saddled with the legacy of the Archdukes Albrecht and Isabella. But maybe we do not deserve any better.

However, it is evident that the Flemish community cannot set so many limits without also cutting into its own flesh with them. Considering the specific mental evolution in the Flemish Christian majority milieu, there was practically no sector of human endeavor in recent years which, in view of the prevailing climate, could not find a place under /Culture/. General welfare work, sports, youth welfare, water pollution: we juggled like virtuosos with the concept of /person related/ matters. The Egmont pact wanted to place this constitutionally under management of the community, which was the management dimension which the predominant party in the Flanders had most control over. Of course, this cannot be now, as the constitution will not be touched. The Flemish CVP will have to wait for the final phase before gaining uncontested control over all those fields with their substantial budgets. The so-called person related matters include practically all modern, more sophisticated branches of the national government.

Belgian Socialist Party - Community

A man is only a man after all, even when he wears a crown. Last week Monday, the king's visitors were asked to go to Laken instead of the customary Brussels palace for audiences. It goes without saying that no head of state

can watch the development of a political crisis beneath him without getting a pain in the neck from it. The surprise of the day was that the Walloon socialists did not like the compromise worked out by the chiefs of staff, under the leadership of Martens' own /Jean-Luc Dehaene/. Maybe they did not fully understand it either, because those one-and-a-half pages of type-written text may well be the duller and most technical document to come out of 15 years of verbosity surrounding the state reform. It seemed to have been written with fine sand rather than with living ink. The usual running back and forth for consultations within the political professional class once again took place through the Brussels traffic. On Tuesday afternoon Andre Cools declared on the threshold of Martens' residence that he had had a positive talk, because with Martens things are by nature always /positive/. The unfortunate turn of events had started on 16 December in the Heizel. But before 16 January came around, Martens once more seemed to have averted the disaster.

A political danger is averted in the same way as a contagious disease, by counteraction with its own poison. Through the metamorphosis of the second phase into a /temporary/ and very /reversible/ framework, Wilfried Martens in fact approached CVP President /Leo Tindemans/ in terms of content. If this country has not yet gotten an iota further with its political reform than it had following the summer night of 1971 during which the constitution was tinkered with, then this is due to nothing other than the fact that the majority within the CVP wanted it this way. It is as if all the troubles of Leburton's tripartite system and all the years of the Tindemans administration did not even occur or had not existed; we have barely advanced by a foot. We already need to explain to young readers and new subscribers who /Ferdinandus De Bondt/ was. It should however be noted that what got the coalition out of its deadlock this time, is to a large degree similar to a plan which had once been suggested by /De Bondt/, at a time long ago when he was state secretary and when he himself had first made a mess of things. At the time he suggested carrying out the regionalization only through an ordinary law, and to defer the problem of Brussels and the whole constitutional matter to better times. The Flemish political mind has become so worn out and complicated that the next person to come up with the bright idea of an Egmont pact will undoubtedly be honored outright.

Andre Cools has already publicly acknowledged in the past that no politician in Belgium has a better understanding of the state reform package than Wilfried Martens. None of our fellow countrymen is better able to juggle with universally strange concepts, such as irreversible, transitional, temporary, simultaneous, equivalent, parallel or bi-communal, than the current prime minister. It is only this knowledge which made it possible for Martens last week to avoid a senseless government crisis by judiciously dismantling the obstacle which his team could not clear and fitting it back together on a reduced scale. Practically speaking, we now have a prime minister who introduces amendments to his own bills 260 and 261 before the senate, whereby members of all the majority parties are distinctly requested to refrain from introducing their own amendments. It should be possible then to deduce how things stand for Wilfried Martens from comments made by

the senators and the parliamentary party presidents in the House. The opposition has requested an explanation and will get it, whereby the question of confidence will unavoidably be raised.

Of course, the FDF [Democratic Front of Brussels French Speakers] is having a bit of a hard time now continuing to participate in a play, the text of which changes at the drop of a hat. With the preconceived hierarchy of the national law above the regional ordinances, Brussels will be surrounded by so many Flemish alarm bells that it will look like a real fool's cap. If the government of the Brussels region were to ordain anything whatsoever considered unfavorable in the eyes of the Flemish press (because there is no other representative Flemish voice in Brussels besides those papers from Grimbergen or Dilbeek), then this would be voted away by the formidable preponderance of the deputies from Genk, Poperinge and the Zwalm region. Since /Henri Mordant/ became president of the /Walloon Rally/ [RW], this party has been playing with the theme of /legislative parity/, which of course does not exist. Still, this could grow into a full scale polemic during the next 3 years, if the Flemish party presidents really were to use their parliamentary parties as a damper on initiatives from Brussels. As a matter of fact, it does not seem right that we should find it fitting to have parity in Brussels, but would always be able -- with the strength of numbers -- to crush the Walloon minority in the national parliament.

Politics and card games have this in common, that some players can secretly make a mutual agreement without breaking the rules. The opposition -- which in the Flanders consists less of the burdened People's Union or the cunning liberals than of CVP youth -- believes that a secret agreement between the French speaking government parties undermines last week's renewed compromise. Prime Minister Martens for his part says that he knows nothing about it, which is after all the very essence of a /secret/ agreement. The FDF is supposed to have requested a few vital guarantees from the Walloon socialists and Christian democrats. This would mean that the Walloon parties could form a bloc to prevent the national parliament from voting down regional laws originating in Brussels or Wallonia, and that, even in the absence of a final phase, as of 1982 regionalization would be maintained. Considering that the Flemish majority could intentionally smother these points, these agreements do not seem to be excessively dishonest. Actually, the FDF is simply recalling the alarm bell which was written into the constitution in 1971 under article 38b. If three-quarters of the members of a linguistic group in parliament are of the opinion that a law or decision threatens vital interests of that linguistic group, then the government must step in. However, it seems obvious that the FDF will not get a systematic misuse of this constitutional provision from /Paul Vanden Boeynants/ and /Andre Cools/, unless the Flemish are so /stupid/ (using Martens' own word) as to stifle equally systematically any desire from the Brussels region.

The FDF is also supposed to have requested from its French speaking partners that the distribution of cultural credits within the French speaking community continue to be carried out according to the key, three-quarters for Wallonia and one-quarter for Brussels, and that it can claim half of the



public offices in Brussels. These look like agreements which are made before and after every election in every municipality, in every provincial council and among all the ministerial departments. Those who claim to have suddenly discovered the wickedness of the FDF on this basis, have not followed events very closely. Without the FDF, the government would of course no longer have an automatic two-thirds majority, nor a simple majority within the bodies of the Brussels region which are to be set up, but these are not catastrophes yet. But more than any other reason, what plays a role with regard to the youthful wanderings of the FDF is the repeated statement of /Paul Vanden Boeynants/ that he wants those guys in the coalition at any cost. These days, Paul Vanden Boeynants walks through the Tweekerkenstraat as PSC [Christian Social Party] president only because he has been on the way to the Brussels city hall for a much longer time. If the FDF really were to withdraw from the government, he would once again have to say goodbye to a large number of voters and he would never become mayor of the capital of Europe.

#### European Disease

A committee of members of parliament from all the representative parties will have to put the final state reform together. Looking at the FDF, it is striking how little the People's Union is actually still part of things -- it isn't. The FDF still carries weight in government matters, it only throws its weight in the balance when the issues being bid show any relevance, and it manages to draw attention to each of its declarations. The People's Union, on the other hand, has needlessly used up good ammunition with Komen and de Voer, when it did not turn its otherwise weak fire against the king himself. In less than a year's time this party has become a completely marginal factor, to which nobody pays any attention any more. Therefore it depends on the FDF, so despised in the Flanders, whether the historic option, which originated in Steenokkerzeel, will still be kept alive. If the FDF were to fall out of the coalition, it would be the end forever of the community parties and their contributions in terms of contents (which was substantial) to the government work of the last 10 years. Then we would no longer even speak of a state reform.

The failures of /Raymond Barre/ in France and /Margaret Thatcher/ in Great Britain make it painfully clear these days that the right can never accomplish anything. Between the prime ministerial figures which we also produced unavoidably from the right, our country was allowed to progress only under an /Achille Van Acker/ or a /Theo Lefevre/. Following long years of political /void/, /Wilfried Martens/ seems to be joining this line. His government program last year amounted to two major points: state reform and socio-economic recovery. State reform is a disease which has gripped all of Europe in all its antique state relationships, from Corsica to Scotland. In our country the shock seemed to have been even more thorough, sweeping along any connection with the state. However, for the time being Wilfried Martens is keeping all this in good order. However, what is now being worked out as the second phase has very little in common with federalism. Maybe there is nothing else to be done. All Flemish opposition has

always excelled in its refusal to recognize and register what is essentially /a fact/. Once again, the Flamigant opposition against Martens has found no more meaningful point of contention than that his arrangement is based on the existence of /three/ regions, as if this were not the most concretely visible fact in the country. Neither is there any way imaginable, at whatever level and in whatever ramification, for this arrangement to give rise to the risk that /two/ regions would stand up against the other. There is no political or administrative meeting place among the /three/.

Wilfried Martens himself summarized his homework as follows. The government had made enormous progress before the holidays. It managed to complete the first, immediate phase, budget, administrative framework and all. Then, in the fall, some blocking occurred with regard to the second phase. But now we have a new synthesis. We must govern, that is what we are being paid to do. When the socio-economic negotiations ended up in a blind alley, the government prepared its own legislative program. Why does government have to be so rigid? Because we must show, inside and outside our borders, that we are capable of cleaning up our household. The Martens coalition is naturally less vulnerable in the socio-economic area than in the irrational community field, which the prime minister has managed to neutralize so deftly. It is known that his formula has the blessing of the ACW [Christian Labor Movement], which has no intention of giving up a cabinet, which is to such a degree suitable to its purposes, without striking back. It follows that a loser like Dr Wynen will experience this personally this week.

8463

CSO: 3105

## VU NEEDS SCHILTZ TO REAFFIRM ITS POSITION

Brussels KNACK in Dutch 16 Jan 80 pp 22-23

[Commentary: "We Killed the Wrong Pig"; passages enclosed in slantlines, printed in italics]

[Text] The Martens administration and the majority parties last week created a new political situation by withdrawing into a limited regionalization program. In fact this made the community future of Belgium much more open, and also much more blurred. Once again, all kinds of things could happen: a strengthening of the neo-unitary idea, for example, but by the same token spontaneous and new fangled radicalisms could also develop. What direction it will take will depend on the real expectations of the Belgian public with regard to the reform of the state. Do they feel cheated or relieved by the mini-regionalization? This cannot be answered with total certainty yet, because the question of the federalization of our country has never been the explicit subject of elections. As a matter of fact, this theme, divided into numerous parts, was spread over most of the party programs. Those who, during the last few years, have voted for Andre Cools' PS [Belgian Socialist Party], may have done so either because they were in favor of Walloon regionalization or because they were in favor of a simple working man's socialism. And since the recent sharpening of the Flemish profile of both the CVP [Social Christian Party] and the PVV [Party of Liberty and Progress], it is no longer possible to differentiate clearly the various kinds of voters in those parties either. It is not known what percentage of the members of the CVP are attracted by the overall social ideology of their party or by its specific community program.

One thing is certain: the organized spreading during the seventies of the federalist idea over even the "traditional" national parties has seriously eroded the so-called linguistic parties of old. The fathers of the federalist message lost their theme to their former opponents, and this was actually a strange development. At least for the time being, the new owners of this idea can do whatever they want to with it: sharpen it, level it, core it, throw it away, heat it up or cool it off. The operation -- which has been labeled "brilliant" -- carried out by Prime Minister Martens, who managed to refloat his stranded coalition by playing softly on the large instrument of the constitutional revision, looks like a cooling off. Thus, as substantial freedom of thought and action.

As a result, the /People's Union/ [VU] specifically has landed in a crucial phase. Every new election could turn it again into a /yard stick/ for the naked, enforced reform of the state. If it does not once again break through forcefully, following the confused setback of December 1978, then the conclusion will be drawn that people have had their fill of the Belgian divorce and that they are content with a limited redistribution of power among the communities and regions in the country. As a matter of fact, this is the basis on which our political life will slumber until the end of 1982. During that period of time, "negotiations" will take place in parliament as to what further we can do.

In addition to this, there is the fact that, should they so desire, the opposition parties will be allowed to participate. As yet, the Flemish liberals do not feel disposed toward this, because they do not want to get involved in possible tensions within the government, where the PDF [Democratic Front of Brussels French Speakers] is still rather distractedly fretting about the right course of action. Besides, the PVV has not much to look forward to in a dialogue between the government and parliament about tomorrow's Belgium: this point is primarily useful for the PVV as a technical weapon of opposition and should thus preferably remain as sharp as possible.

This is not true for the VU of Vic Anclaux and of the party leaders which have surrounded him since last summer. As a matter of fact, the VU must regain its reason for existing, a thorough reform of the state, and it cannot do so by remaining on the side looking on while the political establishment goes its way. Actually, it could no longer do this since it short circuited its most important constitutional expert and its only acknowledged statesman, Hugo Schiltz. At that time it committed an historic blunder: as a matter of fact, the party had already gone too far on the (right and unavoidable) road toward Flemish national participation /within/ the Belgian system to be able to go back. Consequently, the whole display about a "return" to the source and about a renewed self-confidence seems unreal. The public, even their own party people, can make no mistake about this. Numerous militants left; the party's headquarters present the appearance of a depressed and doubting company. Most of the former staff people are looking for new jobs or are trying to fend for themselves. The new leaders have not yet said or done anything very remarkable. They are discovering, rather late in the game, that it is not all that simple to introduce or to keep the nationalist factor in the political game. And so, still with 14 parliamentary seats, they remain quiet.

Considering the fact that during the next 3 years there will be a kind of community vacuum, whereby decisions will have to be made (and possibly negotiations participated in) about the further development of federalization and the whole constituent process, there is only one thing left to do for the VU: to ask Schiltz to come back and to bring his natural supporters with him. Because of its, although understandable, confinement, the current party leadership would probably not be able to or not dare to carry out such an operation, but then it will simply continue its own downfall.



## Peace Offering

As a matter of fact, it is a historic misconception that the People's Union experienced a revival during a period of persistent, Flamigant and nationalistic "toughness." Its predecessor, the /Flemish Concentration/, which was established in 1949 did not gain a single seat in that year's elections. The /Christian Flemish People's Union/ of 1954, strengthened by a few farmers and small business groups, managed to obtain one seat during the peak years of Flemish neglect, romantic folk feelings, frustration and the aftermath of repression. Following the creation, also in 1954, of today's People's Union (by, among others, Walter Couvreur, Frans Van der Elst and Wim Jorissen), it was 1961 before the party could boast of more than one member of parliament. The swift rise from 1 to 21 parliamentary seats occurred in precisely 10 years time: between 1961 and 1971. These were the first years of prosperity for the Flemish people, of university expansion, of economic renewal and of overall critical examination of society. It was precisely during those years that a young and reasonably intelligent VU generation -- of which the Antwerp lawyer Hugo Schiltz appeared to be the embodiment -- broadened its political offering to include support for the mine strikes in Limburg (1966), development of the idea of "a job in one's own area," and elaboration of general emancipation programs for the Flemish citizens. The decline which occurred in the seventies (for the first time in 1974 the party lost voters) was the result of lack of clarity and of /hesitation/: a lack of daring to participate in the Eyskens-Tindemans constitutional revision, the uncertain return to demonstrations and battle scenes (Halle), a lack of unity with regard to the succession of President Frans Van der Elst in 1975, which brought Schiltz to the top. In simple terms: during the past decade the party was unable to resolve the problem of its internal division (conservative versus modernist). Consequently, while noting that the political Flemish movement was apparently stagnating, Schiltz decided to come down a peg or two and as of 1974 (Perin's veto) he steered toward government participation. From an electoral point of view this turned out badly, but later on an incorrect analysis was flagrantly carried out. As a matter of fact, the Flemish CVP -- which was equally "guilty" in terms of the state reform -- received a bundle of former VU votes in the greatest imaginable tactical confusion. The VU did not suffer its defeat definitely because of Stuyvenberg and the like, because then the CVP should also have experienced a punishment, but because of a rare party political strategic coincidence. By the end of 1978, the VU was not able -- partly due to a lack of craftiness and presence in the media -- to withstand the tactics being used against it. Once again, during a full election campaign, serious doubts were prevalent. And instead of remaining loyal to its platform and its leadership, the party shame-facedly but to no avail smoothed away what it had stood for in recent years. Well, this cannot succeed. But instead of carefully examining this, Schiltz was at once disposed of.

And there the VU sits. It has lost the object of its action. Nobody pays any attention any longer to what the party, however well meaning, says. Due to a lack of talent and insight, it no longer produces any important

statements. It wastes its time on political skirmishes (Komen, Voer) which have no significance in the only essential area: that of the future state and power reform. It has not even recovered the clear support of the Flemish pressure groups -- even though last year it gave them its peace offering -- because that support goes to /Tindemans/. And what is the result of all this? The miniaturized regionalization, which can readily be formed to the measure of a subtle Flemish conservatism. One of the most important club presidents recently understood this clearly when he finally -- within a limited circle -- muttered his Aha - experience: /we killed the wrong pig/, he said. We killed the wrong pig.

These days, out of a vague sense of loyalty, and having left behind the few days of crusty bitterness which led him to hand in his resignation in June 1979, Schiltz is working on a quiet and even modest attempt to put matters back on their feet. He meets and studies with a study group called /Flanders Tomorrow/. He is preparing the publication, by next month, of a journal bearing the same name. Will he succeed in turning the VU back to the method of analysis, realism and expert negotiation ("a Camp David for Belgium")? Will he once again be able to play a role in order to return some good sense and durability to the state reform, which has now landed in complete mediocrity (perhaps to the sorrow of the federalist Wilfried Martens)? The answer to this question lies with the VU itself, and with its future congresses.

8463

CSO: 3105

## QUEBEC PRESS COMMENTS ON PQ REFERENDUM QUESTION

## One More Step

Quebec LE SOLEIL in French 21 Dec 79 p A6

Editorial by Marcel Pepin

Text Prime Minister Levesque had hardly given the National Assembly the text of the referendum than Mr Claude Ryan, the leader of the opposition, was crying fraud.

While the head of the government spoke from a clear and open text, free of any disguise, his adversary saw in that text rather a hypocritical twisting, a tortuous itinerary, in short, a real fraud.

Beyond the fact that these different interpretations are already establishing the tone of voice that this acrimonious debate will follow, this debate which has not yet finished setting the citizens of Quebec against each other, they illustrate just how far the partisan goals of the two principal parties will triumph over reasonable goals. This will be a battle with hatchets.

The hard and pitiless reaction of the Liberals probably indicates that they are disillusioned. If the question had been proposed in other terminology, it would have been easier to combat it. Getting their inspiration to a considerable extent from the opinion polls which have permitted them to measure all the fears and hesitations of the citizens of Quebec, the government has rather preferred to stack all the cards on its own side, and be ready to engage in one more fancy turn.

It is thus that the text consecrates the principle of the equality between the two peoples. A statement with which it is difficult not to agree. Then it furnishes a summary description of sovereignty, in other words, the exclusive power of making laws and of levying taxes on the territory. It is thus no longer possible to accuse the government of camouflaging its objective of independence. It then speaks of economic association, specifying the continued use of the Canadian dollar as its currency.

And finally, the text of the question includes the guarantee that no change in the political statutes will come about without another referendum being held, a precaution which makes the first vote less of a commitment or constraint. Furthermore, it has to do only with granting a mandate to negotiate and not to complete the association of sovereignties.

It is then immediately obvious that a YES, even an overwhelming one, from the voters of Quebec to such a question would not give the government the mandate to modify the political organization of the country, at least on the strict juridical level. A major political event would have taken place, of course, but the Canadian political framework would still be intact. This question will not satisfy the authentic seekers of independence. Since the referendum has to do only with a mandate to negotiate sovereignty without bringing it about, they will see in it only another useless step threatening to dilute their objective even more. The federalists are showing scarcely any more satisfaction, since from the very beginning they have rejected the government's goal. It doesn't matter much to them how the question is put; they will always object to its content, even if they momentarily pretend to agree to the form.

By editing the text in this way, the government chiefly wants to seduce those who are generally called the nationalists, those who want to give greater power to the province on the condition that they don't take any risks that are too dangerous. It is thus that sovereignty remains tied to the conclusion of an economic association. That is why the obstacle of the currency has been brought up. It is chiefly for that reason that nothing irreparable can be done during this first balloting, since another vote will follow for the confirmation or rejection of the understandings, whatever they may be. Therefore, there is a great deal of cleverness and political calculation in the text, whose primary objective is still that of combating the reticence of a majority of the voters faced with an enterprise whose final outcome it is difficult to guess. It has been possible to combine cleverness with a modicum of honesty and an acceptable degree of frankness.

The moment of truth has been pushed back a bit farther. The citizens of Quebec will certainly make an important primary decision, but it will be neither the last one nor even the most important one. Over and above the quarrels about the way the question has been drawn up, what must be chiefly kept in mind is that the referendum will first of all and above all allow the trial of the federal system to be held with due process. The declaration of the prime minister has already indicated in what direction Mr Levesque will aim his speeches. Mr Ryan's declaration, basically negative, was not very clarifying with regard to the goals that he wishes to propose.

If this debate is to retain a minimum of dignity and good form, it must chiefly avoid bringing about an unjust trial. The citizens of Quebec, however unsatisfied they may be with certain manifestations of federalism, know the regime too well to accept anyone's false description of it, whether by exaggerating its merits or by caricaturing its weaknesses.



Because this referendum, 13 lines long, contains its counterpart implicitly in one line: "Are you for or against maintaining Canadian federalism?" In the last analysis, this is the choice that the citizens of Quebec will make.

### One Step Sideways

Montreal LE DEVOIR in French 21 Dec 79 p 4

[Editorial by Michel Roy]

[Text] The prime minister's declaration to the National Assembly resembles all of the statements that the option of sovereignty with interdependence has been inspiring in him for a decade. It's the same huffing and puffing, the same generous eloquence, the same deep and unshakable conviction. This speech, which is a mixture of undeniable truths, exalted ideals and unjust criticism against the federal regime has been heard several times. Mr Levesque observes once again that the "status quo" has been rejected everywhere, that a new understanding is consequently necessary and that said understanding obligatorily involves Quebec's winning sovereignty and a community of Canada and Quebec. Once again, the head of the government insists on "the urgency of deciding", which is more obvious than ever in his eyes. This speech, like so many others which have preceded it, like the white paper of 1 November, like the consecutive statements to the Quebec Party congress of last June, like the program of the PQ/Quebec Party/ in its most recent version, that speech called for a clear, complete, honest, democratic, limpid and frank referendum. The time had come to put one's cards on the table, to take a step forward in this long and obnoxious debate.

Rather than a step forward, the people had the right yesterday to take a step sideways. This is not dishonest, nor even confused. The government is marking time, it is stalling, it is asking for a mandate to negotiate a new understanding, which it calls sovereignty-association, already defined in the white paper, but it adds that those negotiations, if they bring about a change in Quebec's political status, will lead to another referendum. In other words, if the YES wins the day, there will be no change without a new referendum. As if the staging process had not lasted long enough, it is being decided to add a few more rungs to a ladder that is losing itself in the fogs of the future. Next spring's referendum will not be decisive. This is clearly an indication to vote YES to a proposal from which it can be guaranteed that will not change the substance of things, being only an authorization to negotiate. If the formulation is not modified, if that formulation is to be the definitive question, if it is consistent with itself, the government must not put on airs of royalty in case the YES turns out to be a majority. The voters will have only granted it a "mandate to negotiate" an "understanding" on which an invitation will be issued to vote once again. At that price, many citizens of Quebec, of all political tendencies, will be tempted to answer in the affirmative, rightly convinced that a YES does not give a green light to the process of winning sovereignty.

If the government gets the majority that it hopes for, it would be dishonest to draw the conclusion that the citizens of Quebec, voting only on a simple mandate to discuss, would have made what the prime minister yesterday called "a great decisive step toward taking their future into their own hands." In order for that step to be so great and decisive, it would be necessary for the affirmative vote to be given to a referendum dealing with the clearly defined objective, given in the white paper and in the program of the PQ. Since the referendum only pledges the government to negotiate and since another referendum is automatically anticipated in case the discussions bring about a "change of status," the referendum to be held in the spring is a kind of general rehearsal.

Everything is going on as if the government, having found out that this population is not completely disposed to radically transform the regime, had decided to wait for the determining test, thus agreeing to a new delay in order to better prepare minds to accept the solution proposed by the Quebec Party. It was then up to the strategists to perfect a question whose honesty cannot be doubted, which does not dissemble the real objectives of the government to the slightest degree, but to which it would be possible to answer in the affirmative without committing the future. The reasoning is simple: the citizens are afraid to make the leap to sovereignty-association; but if the proposal is made to them to vote for a simple mandate to negotiate, thanks to which Quebec would be able to make a certain progress along the way to change, no matter what might happen they will not hesitate any longer to answer YES. Public opinion polls have shown a hundred times that the people wish a "renovation" of the regime under which they live. The advocates of the affirmative vote--they can be heard--will not hesitate in emphasizing to the "sincere federalists" that they will not lose anything if they approve the question, that they will even help Mr Ryan negotiate more effectively with Ottawa if he is raised to power. English-speaking Canada, they will go on to argue, will not agree to making any significant modifications in the federal regime unless Quebec, with a massive YES vote, approves the solution proposed yesterday.

In the meantime, it should not be thought that the political personnel of English Canada, in Ottawa and in the provinces, will let itself be abused by the procedures. The English-speaking provinces and the central government would necessarily negotiate with a Quebec which would have, with full knowledge of why they did so, chosen sovereignty and would afterwards seek to establish economic ties with Canada. However, beyond the fact that we still don't know and that it is not easy to know how English-speaking Canada can negotiate with one voice, we do not know whether an affirmative reply to the question proposed yesterday, once the preliminary emotions have passed, can force the other provinces to negotiate an understanding with Quebec if that understanding is founded on sovereignty and if it anticipates association. They will rather want, from St. John's, Newfoundland to Victoria, to wait for the results of the second referendum. Because that second referendum, if Canada refused to negotiate with Quebec, would without a doubt be a vote on



accession to full and entire independence. Unless a third consultation is necessary to allow the citizens of Quebec to decide on a formula that is still unknown. . . .

The step that the government has proposed is prolonging the debate, accentuating political uncertainty, and perpetuating the risks of economic instability which issue from them. It thus betrays the realization of a set-back: good governments, and would that they were better, do not drag popular support behind political sovereignty, even not connected with association. However, since the government cannot withdraw from its obligation of submitting a referendum, it is organizing an artificial test and is putting off the historical decision until later. . . .

#### Lifeboat Strategy

Montreal LA PRESSE in French 22 Dec 79 p A4

[Editorial by Marcel Adam]

[Text] Some experts believe that when a public debate has gone on for a certain time, the vote on a referendum has no decisive importance.

This theory seems to be proving itself in Quebec where the majority of the citizens seem to have made their bed in regard to the referendum to be held next spring.

The strategists of the PQ Government are aware of this and have undoubtedly decided that the time is now ripe, if we can judge by the wording of the draft referendum that the Levesque Government intends to submit to the people of Quebec.

The opinion polls and the twistings and turnings of the government allowed a question to be anticipated in rather more delicate than severe terms. That was no mistake.

I confess however that I was expecting a wording with perhaps a little more nerve, of the type of the one that the white paper announced: "An affirmative vote from the citizens," we read, "will then be, as a matter of fact, a mandate granted to the government of Quebec to carry out, through negotiations, that new understanding." Now we see that they are asking only for a mandate to negotiate that understanding.

The real surprise, however, was the announcement that a second referendum would be held--in the course of a second election--whatever might be the result of the eventual negotiations.

Let us quote what Mr Levesque declared in the Chamber on Thursday: "It must be clear that, even after the government's receiving a mandate to negotiate a new agreement with Canada, no change in status will be made without the population of Quebec having had the opportunity to specifically approve it by the same democratic route of a referendum." This pledge is repeated in the preamble of the projected referendum.

How can this latest assurance be explained other than by the government's fear that it will lose the referendum, which is pushing it to annul to a certain degree the scope of the first referendum by making of it an inconsequential pre-primary of the real vote, which the second referendum will be?

In my opinion, two reasons have induced the government to slow its strategy of stages down to slow motion.

First, it wants to win its referendum absolutely in order to remain in power after the next election. Special elections and the sampling of opinion have revealed to it that it is less its performance as a government that is making it lose than its constitutional option which is rejected by a large majority of the population of Quebec.

Then it counts on the stalling of the negotiations to whip up the pride of Quebec citizens and to make its option gain ground. It knows that this option gains ground only when Quebec is suffering from the Federal Government or from the rest of Canada an important setback which is capable of arousing the anger of Quebec, as happened with the affair of the Air People that took place a few months before the provincial elections of 1976.

In this regard, things are going badly for the PQ government. The rejection of the Trudeau Government by English-speaking Canada did not arouse a revolt in Quebec against English Canada. The Clark Government, beyond showing itself desperately friendly toward the provinces and specifically toward Quebec, has refused to submit a constitutional reform bill which might have offered to the PQ Government an excellent reason for indignation and support for its option. That explains the desperate efforts that the PQ Government is making to interpret the recent judgment of the Supreme Court on Law No 101 in such a way as to make a constitutional regime detested for making such a discrimination in regard to Quebec.

In other words, the PQ Government absolutely needs a great quarrel with English Canada, a setback, a rebuff that will excite the anger of Quebec vis-a-vis the federal regime.

How do we get there? By first obtaining a mandate to negotiate whose terms and whose meaning can only provoke an unreceptive attitude on the part of English Canada. Thus it hopes that the citizens of Quebec will resent it as

an intolerable insult which will make them very naturally give him an even more decisive mandate in the second referendum. The project in question is in fact only a lifeboat destined to save the government at first and save the PQ option in a second vote.

Paraphrasing Armstrong as he put his foot on the moon, I will declare that the next referendum is just a little step for the Parti Quebecois option and a huge step in the electoral destiny of the Quebec Party.

12116  
CSO:3100

CENTRAL BANK DIRECTOR HOFFMEYER'S ECONOMY WARNINGS CAUSE STORM

Lists Necessary Steps

Copenhagen BERLINGSKE TIDENDE in Danish 10 Jan 80 p 1

[Article by Frank Dahlgaard]

[Text] The respect for Denmark abroad has dropped concurrently with the increase in our foreign debt, and, thanks to the deficit policy, our international influence is today smaller than it used to be.

This statement was made by Central Bank Director Erik Hoffmeyer, who, in an article in BERLINGSKE today, points out that there are six steps into the "economic abyss" and that we have already taken the first three steps on our way downward.

First, we have lost the freedom of movement in our economic policy; second, we have lost our international influence and respect, and, third, we are starting having greater difficulties in raising loans abroad. The next phase of the development is that we shall have to ask the EC and the International Monetary Fund for assistance, Erik Hoffmeyer writes.

The head of the National Bank is making a vehement attack on Christiansborg, which, for years, has been pursuing an insufficient fiscal policy: "We are losing our credibility when, year after year, we state that plans are now in the making which will contribute so and so much to reducing the foreign exchange deficit, and it then turns out that things are just as bad the following year--if not worse."

Erik Hoffmeyer writes that it is depressing to experience how, abroad, to an ever increasing degree, we are being regarded as an irresponsible country economically, and "the faces of our creditors look more and more incredulous."

National Bank Director Erik Hoffmeyer's article appeared only 3 days after the esteemed FINANCIAL TIMES, last Monday, printed a quite long series of

articles on the poor state of the Danish economy.

"Such articles in the world press do not benefit the Danish credit-worthiness," Danish bankers tell BERLINGSKE.

#### Sees Foreign Creditors Consortium

Copenhagen BERLINGSKE TIDENDE in Danish 10 Jan 80 p 9

[Article by Erik Hoffmeyer, Central Bank Director]

[Text] Knud Heinesen's statement that we shall be approaching the abyss at a fast rate if we do not quickly change the course of our economic policy, has attracted much attention, and rightly so.

Many people have asked me what the abyss actually is. What it means to fall into the abyss.

Of course, this is not to be taken literally.

What, at first, occurred to me was to refer to William Hogarth's famous set of pictures "the Rake's Progress"--the fate of the rake--which describes the ruin of a young man who has come by money.

To begin with, things go well, but recklessness causes his capital to drain away. After the young wastrel's overindulgence, the bailiff arrives to collect the debt. The young man tries to solve his problems through a misalliance--he marries an ugly, but wealthy old widow, but that gives him only a short respite. He, nevertheless, is imprisoned for debt and, finally, ends up in a madhouse--in complete disintegration.

This is a racy description from early seventeenth century London, which has been used, among others, by Stravinsky for a dramatic opera.

This development cannot, of course, be applied directly to us, but let me, nevertheless, try to describe the individual steps towards the dissolution if we continue incurring debts abroad at the same rate as hitherto.

1. We shall lose our freedom of movement.

Normally, we expect to have a certain degree of independence in shaping our economic policy. This applies both to the fiscal and monetary policies, but also to the distribution policy, i.e. the final distribution of incomes among the various groups in the society.

It has been established long ago that the large-scale borrowing abroad has deprived us of the freedom of movement in our monetary policy.

We have to keep an interest level which is higher and a credit squeeze which is tighter than in other countries because it is necessary to press the trades and industries to raise loans abroad--at any rate, concurrently with the repayments which have to be made.



On the long view, it has most unfortunate consequences that we keep having such a high interest level.

It is no exaggeration to say that the constant warnings have not helped.

At the same time, a pressure is being put on the financial policy, although the tightening which we have been seeking for years, has not yet taken place. The changes which have taken place, have, in fact, only been measures to bring things up-to-date, and have not been the needed tightening of the financial policy.

## 2. We are losing international respect and thus influence.

It would be excusable if, for some years, for special reasons, we would be putting up with a deficit on the balance of payments. For example, if changes in the economic structure had to be carried through, or in periods with drastic increases in energy costs which hit us especially hard.

But there is no excuse for having had a constant deficit for nearly 20 years--even with an upward tendency.

The respect for us abroad has declined concurrently with this development, and that means that our international influence has become even smaller than it was before.

It is disappointing to experience how, to an ever increasing degree, we are being regarded as an irresponsible country economically, and, it goes without saying, that this also influences the evaluation of the viewpoints we advance in other political areas.

I believe that this is being felt by a large section of the population, and it, therefore, is of importance to our general self-respect. For a great many years, this circumstance has been underevaluated in that the discussions have only been concerned with how much we have been able to borrow.

## 3. We shall get difficulties raising loans.

The bigger our debt becomes, the more it will attract the attention, and the more we must explain that we plan to restore our economy when the heads of the lending institutions visit us.

We shall be losing our credibility, however, when, year after year, we keep stating that a plan is now being worked out which will contribute so and so much to reducing the deficit on our balance of payments, and it then turns out that things are just as bad the following year--or perhaps even worse.

The faces of our creditors are looking increasingly incredulous, and positive and appreciative comments are becoming increasing infrequent.



It is not so that, all of a sudden, we cannot raise any more loans, but the tone is becoming increasingly strained, and the questions are becoming more pointed.

Gradually the amounts will also become smaller and the interest rates higher.

4. We shall have to ask assistance from international organizations.

If the private lenders reduce their loans, we shall have to approach either the EC or the International Monetary Fund for assistance.

It is here a fixed rule that one must submit a plan which convincingly makes it probable to reduce the deficit considerably within a short time.

The two organs I have mentioned are ultimately governed by the political authorities of the member countries, and it has increasingly been a condition of obtaining assistance that such programs have been presented.

At any rate, we shall not be able to avoid this since they already have an eye on us.

They will primarily be interested in the financial policy and the incomes policy, whereas they will hardly be expecting a further tightening of the monetary policy.

5. A consortium of our creditors will be formed.

If it still proves impossible to restore the economy, the private lending will stop and change to a demand for repayment of the loans.

This can very easily have the effect that our foreign exchange reserves become depleted, and we shall have to declare that we cannot pay our debts.

We shall then seek to negotiate a settlement with our creditors, and such a settlement, of course, will subject our economy to extreme pressure.

It will be a drastic change having to pay back the loans after having been borrowing for years.

In that case, all the groups which are now benefiting from security arrangements will experience a drastic deterioration of our welfare society.

6. Our welfare society and political stability will start disintegrating.

It does not take much imagination to imagine the enormous amount of tension which will arise in our society if, all of a sudden, we shall have to set back the clock.

The various groups in the society will make desperate attempts to avoid cutbacks, which, invariably, will cause more inflation and deterioration of the political stability.

One cannot predict with certainty the course which such a process will take, but, during the last few years, we have seen examples in other countries how inflation and tendencies of disintegration have sharpened the political contrasts.

We have got well into phase 3 but have not yet got to phases 4, 5, and 6.

We shall get there if the big deficit continues, and this would be tantamount to heading toward an abyss of self-destruction, which is just as harsh as Hogarth's pictures.

#### Parties Should Listen

Copenhagen BERLINGSKE TIDENDE in Danish 11 Jan 80 p 8

[Editorial]

[Text] In his remarkable article in BERLINGSKE TIDENDE, Central Bank Director Erik Hoffmeyer has shown with convincing force that Denmark is well on its way toward the stage where the welfare society and the political stability will start disintegrating. His account of the situation will not be quoted here. It ought to be read word for word by everybody who is able to read and understand Danish. For the situation of our country cannot be described in simpler and more easily understood language. The serious threat cannot be presented with greater and more obvious truth. There is nothing new in this description of the unhappy development. Erik Hoffmeyer has repeatedly been using strong words, and others have made forceful statements on the strength of their position and special knowledge. Also the prime minister, party leaders and all kinds of politicians have been using urgent language.

The disappointing thing is that, to this day, no ability of sufficient strength has been demonstrated to formulate and carry through the policy which is necessary to avert the development which will break the society. There is no doubt that, among all those who have responsibility, there is a broad recognition of the serious nature of the situation. There is no doubt either that there is a good will, at least among a number of leading government members and party leaders. But it was clearly shown by the legislation for which it was so difficult to find a majority just before Christmas, that the Folketing is not able to carry through the measures needed. One may put the blame for this on one person or the other, on the power of the trade unions over the Social Democrats, or on the egoistic considerations of the parties. One may quarrel about this, and there may be truths to be found here and there. The decisive thing is that it will have to be admitted unreservedly that the Folketing has not shown that it is able to do what it ought to do.

This recognition is a confirmation--which is not new--of the fact that it is the parliament which is failing the society. The dangerous economic development will not by itself find a solution which will avert the disaster.

There are no such forces in the society that the threat may be removed through changes in the economic situation or through a natural development of the society. A change can only take place if the Folketing has both the will and the ability to make the necessary decisions which form the basis for such a change.

The government and the Social Democratic Party have a heavy responsibility, and it cannot and ought not be concealed that the prime minister has a great deal of responsibility for the way things have been going so far. There are others, however, who must have responsibility. There is no parliamentary force to do the right thing if there is no firm basis for that which must be done. The election in October showed that the population understood this. They rallied round the parties which historically have been the mainstay of the society. But the expectations thus expressed by the voters remained without effect in the Folketing. The parliamentary crisis was renewed and prolonged. Before it has been solved, there is no hope of preventing the welfare society and its political stability from disintegrating.

#### National Debt Chief Disputes

Copenhagen BERLINGSKE TIDENDE in Danish 12 Jan 80 p 8

[Article by Frank Dahlgaard]

[Text] The Central Bank has presented the situation as being darker than it really is, says the chief of the Department for the Management of the National Debt, Niels Erik Sørensen, chief of ministerial section.

Denmark is still in the situation that we get more loan offers from abroad than we need.

This statement was made by the chief of the Department for the Management of the National Debt, Niels Erik Sørensen, who adds that it is his impression that foreign lenders, also in the coming months, "will be queuing up to lend us money."

Niels Erik Sørensen says that the central bank director has presented the situation as darker than it actually is, when, in his article in BERLINGSKE last Thursday, he stated that Denmark is starting having difficulties raising loans abroad. On TV last Thursday night, Erik Hoffmeyer said in this connection: "There is nothing to substantiate the claim that it has become more difficult--or more costly--to raise loans abroad, but we who are involved in the raising of these loans can feel it."

Niels Erik Sørensen: "I have got quite a good deal to do with the raising of loans, but I have certainly not noticed any signs that it is becoming more difficult getting foreign loans for the state. The Central Bank has not got much to do with the raising of loans abroad by the state, and Erik Hoffmeyer apparently has been talking to other people abroad than those with whom we are in contact.

## 'FINANCIAL TIMES'

Niels Erik Sørensen says that the somber public evaluation by the central bank director of Denmark's situation will not have any appreciable influence on the future lending possibilities or loan terms: "It is entirely possible that foreign bankers will refer to the statements made by the Central Bank, but we shall continue to expect many foreign loan offers."

It appears quite certain that Erik Hoffmeyer's statements have made a certain impression abroad. The esteemed British daily, the FINANCIAL TIMES, wrote last Friday that a number of bankers in London doubt that Denmark will today be able to obtain top grades from the institutes in the United States which evaluate the worthiness of countries to receive loans. The paper writes that Denmark is one of the bigger borrowers among Western European countries in the international capital markets. "So far, Denmark has not had its creditworthiness tested in the U.S. capital market," the FINANCIAL TIMES writes.

In this connection, Niels Erik Sørensen says that Denmark has hitherto not been interested in raising loans on the U.S. bond market, and that is the reason why we have not had our creditworthiness tested. For that is a condition only for issuing bonds in the U.S. market.

Niels Erik Sørensen adds that the two D-mark bond loans which the Danish state has just issued have been issued on terms which seem on a line with other countries' loans of the same kind. There is nothing wrong with our creditworthiness.

The economic wiseacre, Professor Hans E. Zeuthen, also states that the national bank director has drawn a darker picture of the situation of the Danish economy than is warranted.

"However, in all essentials, I agree with Erik Hoffmeyer, and I also agree with him that we can reverse the development, if we have the political will to do so," Professor Zeuthen told AALBORG STIFTSTIDENDE last Friday.

Professor Zeuthen says that there are now three roads which can lead Denmark out of the crisis, viz. an incomes policy, general subsidies to the trades and industries, and devaluation(s). All these three types of measures can improve Denmark's competitive power.

"The government and the Folketing must seriously consider granting general subsidies to the trades and industries," Professor Zeuthen tells AALBORG STIFTSTIDENDE.

## Intervention to Come Soon

Far from all people, however, find that the national bank director has presented Denmark's situation in a too somber light. The director of the Danish Agricultural Heavy Goods Company, Bent M. Hansen, thus says that



private business is gradually feeling a harsher tone from foreign lenders. He predicts that not only the state and the municipalities, but also private business in Denmark will get lending problems abroad within a relatively short time if the present trend is allowed to continue. Bent M. Hansen predicts that, in the absence of intervention, the first signs of reduced lending possibilities will appear as early as next summer.

As far as BERLINGSKE has learnt, several decision-makers both at Christiansborg and at Holmens Kanal [Central Bank] are of the opinion that measures of economic intervention will be absolutely necessary already in the spring, and the tightening of the fiscal policy which will have to be carried through, will have to be of well over 5 billion kroner.

#### Bank Has Right To Warn

Copenhagen BERLINGSKE TIDENDE in Danish 14 Jan 80 p 8

[Editorial]

[Text] Central Bank Director Erik Hoffmeyer's article in BERLINGSKE on Denmark's course toward the abyss has given rise to criticism, among others from the Social Democratic Party. They have thus described Erik Hoffmeyer's viewpoints as offensive and not very constructive. The chairman of the Socialist People's Party adds to this that the national bank director ought to have informed the government of his views without giving the public access to these views, in the same way as would have been the case if it had been the question of the views of a permanent secretary of the Ministry of Economic Affairs.

In this connection, it has to be made quite clear that, according to the Central Bank Act of 1936, the Danish Central Bank is in a different position from that of a department within the government administration, and the chairman of the board of directors of the Central Bank has an independent responsibility, which is not the case, as far as a permanent secretary is concerned. Formally, there can thus not be the slightest doubt as to Erik Hoffmeyer's right to state in public his evaluation of the Danish economy and of the economic policy. One might even maintain that, in a way, he has a duty to do so.

The national bank director's words must, moreover, be said to constitute a most well-founded warning, as far as the economic development of this country is concerned. It also must be admitted that this is not the first time that Erik Hoffmeyer, in the course of the last 12 months, has been warning the country in similar clear terms.

It is at least strange political reasoning that motivates Minister of Internal Revenue Hjørtøe to call the central bank director's article in BERLINGSKE an insult to the government. The government has just been making such great efforts in December, and it is far too crude to make statements like those made by Erik Hoffmeyer as long as one cannot yet judge the



effects of the policy pursued by the government, it is being said. But the members of the government making these statements forget entirely that the government itself has estimated that its policy cannot prevent an increase in the balance of payments deficit in the coming years, nor an increase in the rate of unemployment. Even if the efforts made in December have, indeed, been so great, seen in relation to the government's own ability, this does not conceal the fact that they have been vastly insufficient, measured in relation to the economic situation of the country. The course toward the economic abyss continues.

But it, apparently, constitutes a sin to ascertain this. The Danish people must, by no means, get to know the truth. That would be an insult to the government.

It, certainly, is to be hoped that the central bank director will not become intimidated by these reactions but will continue to let the Danish people know about his evaluations of the Danish economy.

7262

CSO: 3106

## 'CRISIS PACKAGE' WAGE RESTRAINT BRINGS STRIKES

## Several Employers Affected

Copenhagen BERLINGSKE TIDENDE in Danish 9 Jan 80 p 1

[Article by Lisbeth Nebelong, Per Sabroe and Peter Kjelstrup]

[Text] With wage demands of up to 20 percent, workers at different places of work have been following the requests of their trade unions to make big wage demands, with the result that workers in enterprises throughout the country went home after the initial negotiations.

The strike activity, the extent of which, according to the chief of the collective bargaining department of the Federation of Danish Employers, Deputy Director A. Verner Lassen, took the Federation of Danish Employers by surprise, thus meant that 500 workers at B & W's Alfa Diesel at Frederikshavn went on strike, and that 300 workers at Nordisk Kabel og Traad [Nordic Electric Cable and Wire Works] in Copenhagen yesterday left their place of work. In addition, there are wage strikes at such places of work as Fisker & Nielsen in Copenhagen, B & W Damp [Steam] at Odense, and Nymetal [New Metal] at Nykøbing Falster.

"There already are far too many strikes," A. Verner Lassen says. "And if this trend continues, which everything at the moment seems to indicate, we shall find that the attempt by the government to pursue an incomes policy has failed."

The next wave of strikes is expected already in the next few days.

Big delays and cancellations thus threaten the operation of DSB [the Danish State Railway System], whose 90 locomotive shedmen in Copenhagen will go on strike tomorrow morning at 10 a.m.

According to a spokesman for the locomotive shedmen, all of whom are organized under SiD [Specialarbejdere i Danmark: the Federation of Danish Semi-Skilled Workers], the workers will meet on Thursday morning to decide whether the

strike is to be launched. They have demanded that their hourly pay of a little below 40 kroner be increased by at least 10 kroner. And if they have not received a positive reply from the management of the Danish State Railways by 10 o'clock, they will strike.

The locomotive shedmen fill oil and water on diesel locomotives and shunt the trains, and the Danish State Railways will only be able to maintain normal operations for a few hours after a strike has started. The locomotives will then need to be refilled, and the rush-hour trains of the afternoon will remain standing on the side tracks.

### Strikes Threaten Economy Pact

Copenhagen BERLINGSKE TIDENDE in Danish 9 Jan 80 p 11

[Article by Lisbeth Nebelong and Peter Kjelstrup]

[Text] If the wave of strikes, which was initiated yesterday, continues, the attempt by the government to pursue an incomes policy will have become a failure. This is the opinion of the chief of the collective bargaining department of the Federation of Danish Employers, A. Verner Lassen, who, it is true, had expected certain wage demands which might result in strikes, but who certainly had not expected a wave of strikes of the magnitude which was ascertained yesterday.

"We already have got too many strikes, and if this goes on, of which there is every indication right now, not only the financial position of the enterprises will be ruined, but we shall find that the government's attempt to pursue an incomes policy has been abortive," A. Verner Lassen tells BERLINGSKE.

### Trade Union Leaders

A. Verner Lassen says, however, that one cannot blame the trade union leaders for having requested their members to make wage demands, but he is of the opinion that certain statements from trade union leaders have been a contributory cause.

"Nobody can be blamed that some workers want to negotiate the wage demands which have been piling up since 5 November," the deputy director says. "But the strikes, of course, are contrary to the collective agreements, and if the workers, moreover, want compensation for the non-payment of cost-of-living index supplements, this is a clear sign of a lack of understanding of the economic situation," A. Verner Lassen says.

The strike at B & W's Alfa Diesel at Frederikshavn, where 500 skilled and unskilled workers went on strike yesterday on the basis of a demand for an additional 5 kroner per hour, is being supported by the chief of the organization department at the enterprise, Finn Hove, who informs RITZAUS BUREAU that the demand must be seen in the light of the big profits of the enterprise in 1978 which were handed over to the parent company.

The profits in question have later on been invested in other branches of the enterprise.

#### Other Strikes

"The workers are justified in feeling that they have been fooled when they find that their restraint in making wage demands has had the effect only that other branches of the B & W concern have been able to offer big wage increases, at the same time as the enterprise has got into such serious difficulties that it has had to enter into cooperation with the West-German MAN concern," Finn Hove says.

In addition to the pure wage strikes, the Tuborg Breweries and the Aalborg branch of Kommunedata [the Municipal Data Processing Plant] have become strikebound. At the Tuborg Breweries, the dispute is due to the fact that 300 male workers of a bottling line were transferred to other work after the busy Christmas holiday season. According to Ole Andreasen, head of the information department, the strike means that it has been necessary, so far, to send another 5-600 workers home, and if the work is not resumed, it will become necessary tomorrow to send home an additional 7-800 workers. The effect so far of the strike has been that no beer or soft drinks have left the breweries since last week.

The strike of 35 electronic data processing operators at the Aalborg branch of Kommunedata is due to dissatisfaction with the appointment to a managerial position and may affect the payment of weekly and daily wages.

#### Union Leaders Criticized

Copenhagen BERLINGSKE TIDENDE in Danish 9 Jan 70 p 8

#### [Editorial]

[Text] The leaders within a number of trade unions have informed their members that with the expiry, at the turn of the year, of the pay freeze act, the road is clear for new wage demands towards employers. This applies to the minimum wage area where wage demands can be formulated at the individual places of work. The workers must have compensation for the rising prices, it is being said in one quarter. The employers who managed to overrule the proposal from the Trades Union Congress for a distribution of profits now will get to feel their own liberalism, it is being said in another quarter.

It is entirely possible, as has been maintained, that it is just a question of the widespread din of battle from the trade union movement now that the wage freeze, fixed by law, has been discontinued, and the wage drift can again be regarded as legal.

No matter how all this may be, it is decisive that the present situation cannot be regarded as usual. Among all developed countries, Denmark alone is faced with unprecedented economico-political difficulties in the post-war years. The modern welfare state is threatened to the highest degree,

and not least the members of the Danish Trades Union Congress are in danger of being thrown into unemployment.

In the face of such prospects, practically everybody--including the Social Democratic government--has pointed out that drastic wage increases will add to the economic difficulties. Through the so-called incomes policy, it was endeavored to reduce the wage increases below the rate of wage increases in other developed countries.

A number of trade union leaders apparently do not care at all what effects their demands will have. They want bigger wage increases, even if this means a higher rate of unemployment. For they are used to making demands, and, without these demands, they apparently do not believe that they can keep their hold over the left wing. Their members will then have to pay with greater unemployment. Incidentally, the society pays a large portion of the direct costs of this policy.

The fact that some leaders, in this connection, will talk about liberalism shows a quite astonishing confusion of ideas. For it has got nothing to do with liberalism when strong trade organizations support their members with all the means available to them. It rather reminds one of some form of exploitation of monopoly, which, under the liberal rules of the game, certainly would not be accepted in the commodity markets.

The problem is in actual fact that ruthless leaders in the trade union movement are in the process of manipulating their organizational apparatus into taking steps which are actually detrimental to the society.

#### LO's Nielsen Attacks Pact

Copenhagen BERLINGSKE TIDENDE in Danish 11 Jan 80 p 3

[Text] The trade union movement has dropped the politicians. The new tone of the Danish Federation of Trade Unions is as follows: "We can manage our own affairs--keep your hands off our contracts."

In an editorial in LO-BLADET, for which Thomas Nielsen is responsible under the press law, the trade union movement clearly refuses to participate in tripartite negotiations. The bitterness--not least of the chairman himself--that it was not possible to force through Industrial Democracy or a distribution of profits in connection with the overall solution, is great. And Hardy Hansen, the newly elected chairman of the Federation of Danish Semi-Skilled Workers, calls the revised overall solution "the partly slaughtering of the trade union movement."

"Both in respect of wage regulations, new proposals for security regulations and other questions which affect the daily working conditions of wage earners, the trade union movement must, in this situation, refuse any further intervention on the part of politicians and must avail itself



of its well-earned rights to obtain results at negotiations with the employer counterpart," LO-BLADET writes in the editorial which was approved by Thomas Nielsen.

"This procedure will also be used on a somewhat longer view. Why should the trade union movement once more participate in tripartite negotiations and become restrained in the future collective bargaining when the necessary conditions which the trade union movement in that case will have to make, will never be fulfilled?" the paper asks.

Indirectly, the Danish Trades Union Congress backs the drive for increased wages which is taking place, at the moment, in the various enterprises: "The offer of the trade union movement to render assistance was not accepted, and, against the background of the hitherto bitter experience where only the wage incomes policy was the outcome, it will now be natural for the organizations and representatives of the trade union movement to react in the way they have done during the last few weeks."

The editorial of LO-BLADET interprets the political situation which led to the adoption of the overall plan that was shaved to the bone, as a departure from the incomes policy. "The result of the introduction of half the overall plan is, in practice, that the possibilities of carrying through such a policy have now been blocked."

#### Finance Minister Weighs Demands

Copenhagen BERLINGSKE TIDENDE in Danish 14 Jan 80 p 1

[Article by Lisbeth Knudsen]

[Text] Finance Minister Svend Jakobsen will now launch a comprehensive study to find out the cause of the recent trend among groups of civil servants to seek other employment. In an interview with BERLINGSKE, the minister rejects the claim that it is a question of an exodus of civil servants or a showdown on the question of salaries among civil servants, against the background of public statements from employers within certain sectors--notably the police. As the employer of civil servants, he admits, however, that there are more recruitment problems in other areas within the public sector than before.

"I have been considering whether the problems that have been felt ought to give occasion to the appointment of a new commission of civil servants. However, I am of the opinion at the moment that we ought to make an overall evaluation of the situation without the work of a commission which can take several years. I will now undertake a very thorough evaluation of the situation, and, against the background of our findings, we shall see what can be done," Finance Minister Svend Jakobsen tells BERLINGSKE. He continues:

"In my opinion, it is not a question of any exodus of civil servants, but it is true that there are recruitment problems in certain areas. For a

while it was especially on the executive level that these problems existed, but the problems are now spreading farther down into the system, for example to postmen, the police and clerks belonging to the Danish Federation of Commercial and Office Clerks. It is my impression, however, that it is still a question of a limited number of people who have been leaving us.

7262

CSO: 3106

## ADMIRAL LUTHER DESCRIBES NAVY'S MISSION, NEEDS

Bonn TRUPPENPRAXIS in German Jan 80 pp 58-66

[Article by Vice Admiral Gunther Luther: "The Navy at the Beginning of the 1980's"]

[Text] The Mission

The essential elements of NATO strategy--capability for measured response and for forward defense as the basis for deterrence--determine the navy's mission.

In the defense case it has the task of warding off attacks directed on the sea or above the sea against the Federal Republic of Germany, its NATO allies, or its vital sea lanes. It accomplishes this task jointly with the allied navies of the alliance and in cooperation with air and ground forces.

Forward defense at sea is not bound to narrow territorial boundaries. The international space of the high seas permits timely and measured response to any aggression even before our own territory is violated. Forward defense at sea requires the deployment of friendly defense forces appropriate to the situation in areas of the sea where an opponent can develop his attacks.

The Defense Mission

The defense mission is the determining criterion for the navy's mobilization planning and training, as well as for appraisal and evaluation of its capability for accomplishing its mission. Present naval surface and air forces, which can accomplish their defense missions, will also meet the requirements in peacetime and in times of heightened political tensions. Our maritime defense mission is concentrated in the area of the northern flank. The operational areas of the German Navy are primarily the Baltic, the approaches to the Baltic, and the North Sea.

## The Concept

The Navy's objective and its concept for the accomplishment of its mission have remained unchanged in principle for the past two decades. The weighting of the various focal points of the mission, however, has undergone a gradual change.

From the beginning of the Bundeswehr [Federal Armed Forces] the navy's planning--taking account of the immediate situation of the national interests--has been determined primarily by the confrontation of the military blocs the eastern border of our country. Defense of the German Baltic coast and control of the geostrategic key position "Baltic Sea approaches" therefore occupy an important place in all considerations and plans.

Until the middle of the 1960's a majority of the German naval and naval air forces were concentrated on these Baltic tasks; questions of timely reinforcement and of military and civilian supply, which are now so important today, could be assigned less weight at that time, as NATO's strength and superiority at sea were undisputed.

Since then, however, the rapid and purposeful build-up and expansion of the Soviet naval potential have added a different quality to the threat. The Soviet navy's ability to impair NATO's sea communications in the North Atlantic and in the coastal waters of northwestern Europe adds greatly to the Warsaw Pact's offensive capability if we are on the defensive.

But this has given greater prominence to the strategic unity of the Baltic and the North Sea, as well as the necessity of providing forward defense of the territory of the defensive alliance of Central and Northern Europe, for:

- 1) The requirements of our seaward defense are no longer determined solely by the naval potential in the Baltic, which has been built up qualitatively and quantitatively in view of the obvious operational objectives of the Warsaw Pact directed against the coasts and the Baltic approaches, but
- 2) Also by an altered spectrum of threat in the North Sea, which, with its harbors and landing areas, is a conveyor belt for intra-European sea traffic and the final link of the sea lines of communication from North America to Central and Northern Europe.

A consequence of all this for the navy's concept is that the weight assigned to its Baltic and North Sea missions has been largely equalized. This is true today and will also be true in the 1980's.

## Ensuring Peace

But the maritime threat to the Federal Republic of Germany is not restricted today and will not be restricted for the foreseeable future to Europe, or even to the territory of the NATO alliance. Neither does it necessarily arise from the possibility of a direct armed conflict with the Warsaw Pact.

In recent years there has been increased awareness of the threat that lies below the threshold of direct military aggression against friendly territory. Conflicts of this kind become more probable the farther the given scene of action is removed from the center of confrontation in Central Europe between the big military blocs.

As an industrialized nation with worldwide trade, the Federal Republic of Germany is extremely dependent on raw-material supply, free world trade, and unimpeded shipping--the foundations of our economic strength and consequently of our domestic stability. This gives added prominence to naval relationships and worldwide interests, in peacetime, in crises, and in times of tension.

With its effective naval forces together with its merchant marine, fishing, and research fleets, today the Soviet Union already has worldwide options at its disposal for exerting political influence, up to and including direct military intervention.

In addition, the development of the international law of the sea threatens to undermine the traditional principle of freedom of the seas in favor of unilateral privileges of regionally favored coastal states.

This gives rise to a new potential for conflict--even outside the area of the NATO alliance. The risk of confrontations on the fringes of the spectrum of conflict is increasing. For that reason the Navy's missions in peace and in crises may increase in importance, as well as the need for even closer cooperation within the alliance.

### Implications

What implications does this review of the situation have for the Navy at the beginning of the 1980's?

The navy must be in a position to accomplish its mission in three respects:

1) The defense mission, which remains directed toward the European northern flank, has absolute priority. The operational areas of the Baltic, the approaches to the Baltic, and the North Sea retain their high priority. The Navy's mobilization planning is oriented toward this mission.

At the beginning of the 1970's the navy's original equipment, by then largely obsolete, began to be replaced by second generation weapons systems. The naval materiel introduced since then and still arriving is appropriate to the mission and to the requirements of the operational areas. It is characterized by modernity, striking power, and durability as well as by high mobility. The crews' high level of training is internationally recognized.

Thus for the Baltic and its approaches we shall have vessels at our disposal in the 1980's which meet the requirement for a deeply echeloned defense by a large number of small, hard-hitting, and mutually complementary



weapons systems, which at the same time are able to make use of the favorable geographical characteristics of this area of operations to their advantage.

For the defense missions in the North Sea, vessels will be available which are capable of long operations even in heavy weather and which can hold their own against multiple threats, but which can also meet the growing demand for mobility and flexibility in joint operations with the forces of our alliance partners.

Credible combat strength, high mobility, and all-weather capability are supplemented by components of sea-going supply, effective leadership capabilities, and experience in cooperation with our alliance partners.

2) Our naval and naval air forces must be capable of serving as an instrument of crisis control, at the request of our political leadership and on its instructions, if the situation so requires.

Since 1968 the German navy has assigned vessels to the NATO "Atlantic Task Force," and since 1973 to the "Standing Operations Group of the Supreme Commander of the English Channel: as well. In addition, German units are provided for several important contingency plans.

3) Lastly, the navy must be in a position to contribute to safeguarding the interests of the Federal Republic of Germany in peacetime as well, chiefly in very close cooperation with our alliance partners.

The foreign voyages and exercises in foreign waters, always carried out in consultation with the Foreign Ministry and sometimes at its request, come under this heading. Since 1956 vessels of our navy have anchored in more than 3,000 ports of nearly 70 countries in all continents, and contributed by these visits to international understanding and to enhancing respect for the Federal Republic of Germany.

The positive effect of such visits serves increasingly as a political flanking maneuver, as on the occasion of the chancellor's visit to the United States' Bicentennial Celebration, the president's state visit to Japan in 1978, the renewal of a 100-year treaty of friendship with the Kingdom of Tonga, or the chancellor's trip to South America last year.

All of these are examples of the way even the limited means of the German navy can be used quite effectively to support the political field of activity and to contribute to the development of opinion and recognition favorable to the Federal Republic of Germany.

## Prospects

Now that I have presented the relationship between threat and mission and have drawn the implications for the navy at the beginning of the 1980's, I should like to turn to a few problem areas which demand particular

attention in the coming decade and beyond. No doubt they may affect the Bundeswehr quite generally, but for a branch of the service as much characterized and influenced by technology as the navy they show up particularly strongly.

### 1) Weapons Technologies

For a long time the false estimate was current in the West that it was superior to the East in new weapons technologies. Today we have increasing occasion to observe that the East has largely overcome the West's head start. Some new Soviet naval vessels--guided missile cruisers and destroyers--are equal in quality to western vessels. The quantitative and the simultaneous qualitative growth of the threat requires continued application of modern technology to maintain the ability to accomplish the mission, for it is undeniable that the striking power, response capability, and mobility of naval materiel can be significantly increased by the application of modern technological possibilities.

In 1965 there were still *no* missiles in the German navy.

In 1985 there will be more than 40 ship-to-air missile systems of the *Tartar*, *Sea Sparrow*, and *ASMD* types, and more than 55 ship-to-ship missile systems of the *MM 38* and *Harpoon* types operationally ready. All destroyers and frigates and all motor assault boats will carry such systems.

In 1965 only part of our vessels were equipped with even passive *electronic battle command* instruments.

In 1985 the majority of the fighting vessels of the navy will be equipped with passive and active fully automated electronic battle command instruments. Reaction times will be drastically reduced.

And in 1985 the military use of computer technology will be characterized by the introduction of fourth-generation computers, using microprocessors. The "Flotte" fully automated command system will be operational.

In view of the heightened quality of the Warsaw Pact's military equipment, the West will have to work hard to maintain its qualitative advantage--insofar as it still exists. Each new generation brings a technological advance, but also a sharp rise in costs.

### 2) Financial Prospects

Quality costs money, and the increasing complexity of integrated weapons systems leads in some cases to considerable increases in costs.

The "Hamburg" class destroyers cost 104 million German marks in 1964. Even in 1969 the "Lütjens" class destroyers cost 207 million German marks, and the price per unit of the F 122 frigate today is about 320 million German marks.

A "Seahawk" naval fighter-bomber could still be had in 1958 for 600,000 German marks, whereas in 1963 an F104 G cost 6 million German marks. The unit cost of the "Tornado" weapons system today is about 31 million German marks.

These cost increases, of course, cover not only the increase in effectiveness required by the increased threat, but also a relatively high percentage due to inflation.

At the same time, numbers are again acquiring more and more importance as the technological state of arms approaches equality in East and West, with shifting advantages for first one and then the other, since a lack of numbers can no longer be made up in quality.

The result of this development may make it increasingly difficult to keep the ratio between the need for materiel and the financial capabilities in the same order of magnitude as heretofore. Some compensation can be achieved, however, by further rationalization of operations. This includes:

- a) Extending the intervals between overhauls by greater reliance on the unit's own personnel in order to reduce maintenance costs,
- b) Systematizing the training of the troops as a prerequisite to economical operation of planes, ships, and boats, for hours in the air and days at sea are expensive, and
- c) Increased use of simulators for as realistic training as possible, to reduce operating costs of high-cost weapons systems.

And we shall be well advised to work against the widespread and often fateful penchant for technical perfection. The demand for making modern technologies available should be supplanted by a demand for modern leadership techniques.

### 3) Personnel

The effects of greater effectiveness and complexity of modern weapons systems on personnel requirements are characterized by the fact that while in certain fields the size of the personnel can be reduced, higher demands must be made on the physical and mental capacities of the personnel and the state of training. This has effects on the selection of troops, the term of service required, and training costs. And these in turn occasion changes in personnel structure.

Thus, the "Hamburg" class destroyers currently in service require a crew of 268 men. The F 122 frigates coming on line in the early 1980's, with considerably greater fighting power, require only 199 men. In the rank structure, however, the number of officers and senior petty officers will be increased. On the other hand, the number of seamen and able seamen drops by more than 60 percent.

Considerable changes in the requirement profiles--from induction through training up to deployment in the forces--are the result; the competitive situation is sharpened, but the classical hierarchical structure and reciprocal relationships also take on a different quality.

#### 4. Human Aspects

Naval ships are not just a workplace for a few hours a day. They are also the residence and recreation areas of their crews. Ships and boats of the navy are at sea an average of 100 days a year.

And days in port do not necessarily mean stays in home ports, at the family home, or anywhere that land quarters and care facilities are available.

In view of this fact, particular attention is paid to the working conditions and living environment of our crews. Supplying modern war materiel does not suffice for the accomplishment of the mission. The defensive fighting for which we are preparing will be done not by machines, but by people who serve those machines. Besides operational readiness of the materiel, operational readiness of the individual soldier is an indispensable requirement.

In this respect advancing technology threatens to make excessive demands on the man. He increasingly feels himself exposed to it instead of in control of it.

Uneasiness in the face of technology--emotional and mental stress accompanied by too little physical activity and the special environmental conditions on board--can combine to impair efficiency and readiness. Precisely because the man remains the decisive link in the functional chain of complex modern systems, the dangers that show up here must be confronted.

It is up to us to achieve a harmonious relationship between man and technology, to take recent advances in the layout of the workplace into account more on board, and to improve living quarters and care facilities insofar as the characteristics of warships permit it.

All of these efforts should contribute to improving the quality of life in the navy. But they alone will certainly not suffice. As always, the decisive factor is still the quality of leadership, on which particularly high demands are made under the special conditions of a service that is so decisively shaped by technology.

The soldier must find satisfaction in his job, security in his comrades, and understanding in his superiors.

This is a challenge to our internal command, and personnel management in particular, which has also been experiencing a new quality recently because of the technological environment.

## Summary

The Navy's mission has not changed fundamentally. To be sure, the threat spectrum at sea has broadened substantially. This must and can be countered by taking advantages of the possibilities of modern technology in the sense of modern leadership techniques, by more flexible deployment of more mobile naval materiel, and by close cooperation within the alliance. This concerns ensuring German security interests both in peacetime and in the event of conflict, and contributing to the defense capability of the *alliance* at sea. There is a close interrelation between these two objectives.

The focal point of the German navy's mission will continue to be the seas adjacent to Northern Europe.

The navy is going into the 1980's well equipped. Modern weapons systems will continue to be introduced, and in conjunction with the recognized high state of training and high efficiency of the crews, these will make it possible to accomplish the missions assigned.

Man, however, should remain in the center of the problems that face us, both as an individual and as a part of the team. We must not consider him, in Admiral Tirpitz's words, "a manipulatable part of the fighting machine." Instead, we must do justice to the perception that weapons systems and installations find their actual limits at the point where they threaten to overload the man who serves them, for:

"The fighting power of the navy is not determined by the tonnage that it displaces, but by the men that it carries."

5588

CSO: 3103



STRAUSS SEEN LOSING FAVOR AMONG INDUSTRIALISTS

Hamburg DER SPIEGEL in German 28 Jan 80 pp 58-62

[Article: "'Unpredictable and Unable To Make Decisions'"]

[Text] Before the guest from Munich arrived, Germany's industrial elite pledged to stand firm on its principles.

Along with his seven deputies, last Tuesday Rolf Rodenstock, president of the Federation of German Industries (BDI), agreed to observe last year's resolution and not to take sides for any party in this year's election campaign.

It would be "virtually fatal," said a BDI deputy, to come out publicly for one or the other candidate.

Almost 4 hours after this meeting last Tuesday, the candidate Franz Josef Strauss arrived on time at the BDI brown anondized building on the bank of the Rhine in Cologne. Before the industrial club, which was expanded to include around 50 presidium members, the Christian Union man first talked about world political events and about the economy. Then Strauss vented his opinions on the relationship of industry to politics.

After a few minutes it became clear to the BDI group that the Bavarian desired an unambiguous statement from Germany's corporations and their federations on persons, parties, and programs.

Strauss said he would have no objection if the corporation heads "invited the democratically elected chief of government to come to their meetings"--just as the Employer's Association had done in December on the occasion of their annual meeting.

But--the businessmen should consider one thing: the policies of the present chancellor, said Strauss, have advanced socialism into all areas, not only in the economy, but also in shcools or in the family, to such an extent

that under his chancellorship, this development could not be eliminated "all at once but would take years."

Already a few weeks ago at a meeting of businessmen arranged by the electronics manufacturer Grundig, Strauss had commended himself most highly to the group of industrialists. The Christian Union candidate said: "Is there any other party leadership speaking out for the reimposition of the market economy as we are?"

These scenes seem grotesque. A chancellor candidate of the CDU/CSU was trying to get recognition and support from the long-standing circle of contributors and sympathizers of the sister parties, evoking the past and the common bonds, and courting acceptance and votes.

Franz Josef Strauss knows why: He has to fight against a broad wave of discontent among the company leaders and business managers. Something he never expected.

The distance being kept by big business from the Christian Union candidate is so inexplicable for the Strauss team that CSU General Secretary Edmund Stoiber last week lashed out at the business leaders in public, in a way setting the tone for the BDI meeting.

Because big-name businessmen like Otto Wolff von Amerongen, the president of the German Association for Industry and Trade, are not singing any hymns of praise to the Bavarian leader and are still maintaining their ties with the presiding chancellor, the Christian Socialist strong man charged them of pure opportunism.

Stoiber considered it "impossible how short-sightedly German businessmen, most of all Otto Wolff von Amerongen, are placing their private interests, their fear for further economic successes above political disputes."

Although the lament of the Bavarian team will not help much, it is understandable. Previously, the Union candidates could be sure that the majority of the top men in business would be in their favor. The Union has still not forgotten about November 1971, when 62 prominent people in industry provided their clearest campaign support for the CSU/CSU in an advertising campaign ("We can no longer remain silent").

"In order to prevent serious damage to our country," company bosses such as Hans Merkle (Bosch), Eberhard von Kuenheim (BMW), Daimler boss Joachim Zahn and the steel industrialist Otto Wolff gave money and signatures for a prominent protest against the economic policies of the social liberal cabinet under Willy Brandt.

Now it appears that the business elite would not be at all unhappy if Brandt's successor Schmidt remained in the chancellor's office after 1980.

In explanation of the aversion to the man from Munich, one Cologne BDI participant said, "many fear that he will destroy too much due to his lack of self-restraint." Another acknowledged: "The CDU is my party but Strauss is not my candidate."

Never before, however, did a Christian Democratic candidate for chancellor confront such a massive front of rejection in the industrial camp, not even Helmut Kohl who was controversial because of his weak leadership.

Never before, too, did the sister party cause so much dissension among the industrialists: Liking the Christian Union on the one hand but not their candidate Strauss; accepting Chancellor Schmidt, on the other hand, but not his party.

The most prominent company directors are withholding their support for the top politician from Germany's South; primarily Bosch's Merkle but also Zahn of Mercedes and Eberhard von Kuenheim of BMW.

Even more than in southern Germany, bosses on the Rhine and Ruhr are on the list of opponents; among them, Berthold Beitz of the Essen Krupp concern and the Cologne industrialist Otto Wolff.

Strauss opponents are just as easily found on the boards of codetermination steel factories such as Mannesmann and Thyssen--but they want to keep their anonymity. And the more to the North one gets, the icier the reaction by the corporation bosses to the aspirations of the man from the Isar.

Even full-blooded conservatives like Guido Sandler, the authorized representative of the Oetker Empire in Bielefeld, is said by colleagues to have a reserved attitude towards the CSU boss. Even Preussag-General Guenther Sassmannshausen, or Paul Lichtenberg of the Commerzbank, are among those keeping their distance from the Bavarian.

The jam manufacturer from Holstein (Schwartau) Arend Oetker found that "as far as Strauss' popularity goes, there is a South--North split."

Those knowledgeable about the industry scene also see fine differences with regard to the size of the companies: There are considerably more Strauss fans among the single owner companies of medium-size operations than among authorized board members in the large firms--so say the Swabian crane constructor Hans Liebherr or the Paderborn computer manufacturer Heinz Nixdorf.

The medium-size firm bosses see their companies protected most of all by Strauss as chancellor. The top industrialists, however, fear that the conservative rambunctious politician will disturb their business circles.

It is feared that Strauss as chancellor might damage the German image

abroad and with it also the goodwill for products made in Germany. And: Strauss, as a candidate as well as a possible chancellor, would probably disrupt the social harmony with his antiunion course--with bad consequences for the negotiators.

The Strauss opponents from the industrialist camp explain their misgivings with words such as "unpredictable" and "uncontrolled," "unable to make decisions" and "poorly advised." Most often the company barons express their aversion with reserve and, if at all, only in a very small circle of friends who think similarly.

This applies to former Mercedes boss and BDI Treasurer Zahn, who just retired. When he found out about the nomination of the Bavarian as the top man on 2 July last year in a restaurant in Stuttgart, his disappointment could also be recognized by the other guests. Zahn spontaneously shouted out that the FDP should be supported right away.

Another general director in Stuttgart did not stop at expressions of displeasure. Bosch chief Merkle even returned his CDU party book. His decision to leave the party, which no other prominent industrialist had done so demonstratively prior to this, was paved by a discussion with former U.S. Secretary of State Henry Kissinger.

Long thereafter, Merkle still cited Kissinger's pungent comments about the CSU politician. The ex-Secretary of State urgently warned against the consequences of a Strauss chancellorship. The CSU chairman, Kissinger said, has few political friends in the United States and elsewhere.

On top of all this, the candidate is often told that the managers do not at all consider him to be their political messiah. The construction boss Paul Brochier from Nuernberg criticized him at a meeting of top managers in the Hotel Forsthaus in Fuerth, saying that the two coalition parties, the SPD and the FDP, as well as the CDU, are making more efforts with companies than is the CSU. The CDU would constantly come up with new activities "without previously informing businessmen."

The Nuernberg construction boss was especially displeased about the criticism spread by the CSU party central office in autumn on a German unified trade union. Brochier told Strauss that this would have been a "superfluous action."

This man from Franken is not the only one who thinks in this way. Even among the top managers on the Rhine and the Ruhr, Strauss ran around with the proposition of countering the DGB block with a competitor trade union.

"It is the system of the unified trade union," said, for example, Mannesmann chairman Franz Josef Weisweiler, "that has secured social peace." Arend Oetker of Schwartau, a member of the top council of the Employer's

Association as well as of the BDI, sees "the danger of polarization" between trade unions and companies in the antiunion course of the men from Munich.

In the meantime, the majority of managers have comprehended that not all that Strauss pronounces vociferously should be taken seriously. After a visit by DGB leader Heinz Oskar Vetter at the Munich CSU headquarters, Strauss once again retreated from a planned union conference by the CSU.

From that day forward, there was no more talk of a competitor to the DGB. The general manager of an industrial employer association said: "Strauss is a real procrastinator who lets everything slacken and follows through on nothing."

In the 7 months of his candidacy for the throne in Bonn, Strauss' image has had to take a lot of flak, namely the image of being a politician who can get things done and with understanding for the true problems in the economy.

Even his most loyal troops, the factory owners and employed firm managers from Bavaria, are beginning to have doubts about him. The reason: for months, prominent managers like Peter von Siemens, the chairman of the board of the electrical multi, or BMW boss von Kuenheim have tried to dissuade Strauss from proposing a law which would have cost business between the Inn and Main Rivers another DM 2 billion marks annually.

This concerned a proposal by both churches to increase the number of holidays in Bavaria from the previous 12 in the Protestant regions and 14 in the Catholic regions to a uniform 14 holidays for both--more than in the rest of the republic.

The white and blue [Bavarian colors] company bosses flooded the party with resolutions and the threat of canceling millions in contributions to the CSU. But only at the last moment, just before the parliamentary vote, the minister president put a stop to the expensive holiday project.

The annoyance remained. Von Kuenheim formulated the inadequacies of the political manager Strauss in the following way: "The man lacks drive, is unable to make decisions, and is surrounded by odd friends."

Managers such as Merkle or the new VW chairman Karl Gustaf Ratjen or bankers like the Hanseatically cool Alwin Muenchmeyer or Wilfried Guth of the Deutsche Bank would feel comfortable in the beer-stenched atmosphere of Strauss' circle of friends.

The close circle of comrades of the "Munich Mafia" (party jargon) is primarily composed of Bavarian nouveau riche who first came to own firms in the years of the economic miracle.



Strauss borrows the company jet "Mystere" from the chicken frier Friedrich Jahn ("Wienerwald") and he likes to be invited by the chain store owner Jost Hurler ("Suma") to his exclusive Hotel Ueberfahrt on the Tegernsee. And Strauss raised a few tankards with the steel producer Willy Korf when he went to visit his mother in Munich.

When Strauss stays at his vacation home near SainteMaxime on the Cote d'Azur, then he visits his Franconian friend and watch manufacturer (Junghans) Karl Diehl in his luxurious villa on the Cap d'Antibes. For larger tours on the Mediterranean, he borrowed the luxury yacht Diana II (19-man crew) last summer from his hunting companion Friedrich Karl Flick.

In such surroundings one can indeed celebrate excellently. But the Bavarian can hardly count on political inspiration and ideas from this type of circle. Advisors on a concern level and from the top levels of the banks who have to confront economic and social problems daily, are not among Franz Josef Strauss' circle of leisure time friends.

Top managers from Ruhr concerns are therefore worried that the candidate could listen too much to the suggestions of his very colorful friends after he gets elected to be chancellor. One Duesseldorf steel chairman said that "then Bavarian provincialism would be dragged into the national capital Bonn."

But for the time being Strauss is still sitting in Munich from where, with growing discontent, he can watch how the circle of managers, once assessed by him as most devoted followers, are publicly praising and honoring his long-standing arch-enemy, Helmut Schmidt.

BDI President Rolf Rodenstock praised the federal chancellor as "a recognized discussion partner in the economy." The eyeglass manufacturer from Munich, who is generally viewed as a Strauss fan, said: There exists "general concurrence" with the Federal government "on the basic concept of economic policy."

After this praise for the government, Strauss, sitting at his desk in the State Chancellory, angrily lashed out by telephone at Rodenstock, who resides only a short distance away on Munich's Isartalstrasse.

Strauss felt especially snubbed by the generally Union colored artisans, even more so than he did from the representatives of industry, who for 20 years already have made contributions available "primarily for the CSU naturally" among Strauss' Bavarian colleagues.

The CSU man, who has been in urgent need of public honors and statesmanlike recognition since his nomination, asked the artisans to award him the promised honors in the form of the golden honorary ring of the federation at the Munich Artisans Conference at the end of November last year.

Only a few weeks later, the Christian Democrat and Artisans President Paul

Schnitker awarded the honors to a more worthy candidate--the presiding chancellor. In response to queries from the CSU headquarters, the awarders of the ring laconically rebuffed: The jeweler is not yet finished.

That was too much for Strauss helper Edmund Stoiber. At a meeting of medium-sized company representatives in Oldenburg, the Bavarian criticized the disloyalty in trade and industry: Whereas Strauss and the Union parties had "created, built up" the social market economy, "Mr Rodenstock goes over there and says that Chancellor Helmut Schmidt is the guarantee for a social market economy. And then Helmut Schmidt is even awarded the golden ring by the German Industry and Trade Association [DIHT]."

He, Edmund Stoiber, is hard put to sell his superego very well. Recently, the general plenary of the DIHT held its meeting in Munich and the top Bavarian, as protocol demands, was scheduled to be the quest speaker.

Yet his appearance seemed very embarrassing to the organizers.

DIHT President Otto Wolff thought he would have to excuse himself before the participants for holding the meeting in Munich and, connected with it, for inviting the minister president of the Land: He said that the presidium already decided on the Bavarian capital in 1976, before there was any talk of Strauss being the candidate for chancellor.

The fact that Strauss appeared as the guest speaker, was, according to the steel industrialist, "sheer coincidence."

9527

CSO: 3103

## KOMISSAROV THREATS AGAINST FINLAND MAY BACKFIRE AGAINST USSR

Helsinki UUSI SUOMI in Finnish 2 Dec 79 p 2

[Commentary by Third Man]

[Text] The article published recently in SUOMEN KUVALEHTI by the Russian writer using the pen name Juri Komissarov about the possible effect of the so-called Euromissiles on the Nordic situation has generated interest outside our country too, especially of course in the other Nordic countries, as no doubt intended. As the SUOMEN KUVALEHTI chief editor notes in the same issue of the magazine, the Komissarov article is part of the wide information campaign that the USSR has set in motion in order to get West European public opinion to oppose the modernization of the North Atlantic Treaty's medium-range missiles.

In order to be able to assess the significance of the Komissarov article, we first have to clarify who is or who are behind this pen name.

According to experts' views, the pen name is used by certain USSR officials who deal with Finnish and Nordic affairs. It does not, in other words, represent a high political level. Taking shelter behind anonymity gives a chance to air the kind of views and stances that official authorities can refute if needed. This has been proved by the past years' experiences with articles and books published in the name of Komissarov.

As far as the content of the article is concerned, the main attention in the public debate has focused on the section that deals with the new threat to the neutral countries posed by the so-called cruise missiles. President Urho Kekkonen called our attention to the same matter as early as May 1978 in a speech delivered in Stockholm.

It is clear that Finland and Sweden could not fend off cruise missiles going through their air space, and according to experts, the Soviet resources would not be sufficient for it either. It is obvious that the rapid advance of weapons technology threatens to annihilate the existing European security policy systems.

The heated tone of the debate raised by this question may lead citizens to fear that we are faced with imminent threat of a military conflict. This, of course, is not the case. The protocol to the SALT agreement between USA and the USSR prohibits cruise missiles over 600 km range. The protocol is in force only to the end of the year 1981, but there will no doubt be negotiations to extend it. NATO will under no circumstances have this kind of weapon in use before the year 1983. There will certainly be negotiations before that between NATO and the Warsaw Pact on new weapon control arrangements to stabilize the European situation. This is why the recent pronouncement by the Swedish Ministry of Foreign Affairs appears not only naive but also premature in presenting a wish that NATO would direct its cruise missiles past Swedish territory.

It has been thought that the Komissarov article is intended to soften public opinion primarily in Norway and Denmark on the eve of the upcoming meeting of the NATO Ministerial Council. Whether it will have the intended effect is a moot point. It is possible that the effect will be exactly the opposite. The article has been interpreted in the other Nordic countries as a threat: if NATO decides to procure new missiles for itself, the USSR may present Finland with new demands on the basis of the Treaty of Friendship, Cooperation and Mutual Assistance. Past experience has shown that this kind of threat normally has an effect in Norway and Denmark of fortifying the need to get NATO protection. This might be the effect even now.

From the Finnish standpoint it is also deplorable that the speculation this article has evoked feeds the already widespread conception in the West that the Friendship, Cooperation and Mutual Assistance Treaty is most of all a medium of political pressure on Finland instead of the seriously intended defense policy mechanism that Finland and the USSR have developed.

9571

CSO: 3107

## PARTY LEADERS NOW SEE CHANCE KEKKONEN MAY REMAIN AFTER 1984

## International Situation Factor

Stockholm SVENSKA DAGBLADET in Swedish 3 Jan 80 p 7

[Text] The situation in 1984 could lead to the reelection of Urho Kekkonen as president of Finland.

Several party leaders seem to believe this, according to a series of interviews by HUFVUDSTADSBLADET at the start of the 1980's.

In most cases the party leaders are obviously careful in their statements about the next presidential election, which will undoubtedly be one of the most important events in Finland during the new decade. The question is raised entirely too early to be answered with any certainty. But none of the leaders of the major parties would directly dismiss the idea that the now 79-year old Kekkonen could enjoy renewed public confidence in 1984. On the contrary, the thought of reelection seems to have a certain careful support.

It all naturally depends on the president's own desires and ability as an 83-year old to again stand for election. He has been president since 1956, and before the 1978 election he rejected speculation about his reelection in 1984 as "humorous." But in a possible situation where he appears as the only qualified and experienced candidate, who knows?

## Experience Is Essential

The main thought behind the expressions of the party leaders seems to be that the international situation in 1984 can be such that Kekkonen's experience will still be needed. Another and more subtle motive may be that at this time there is a shortage of generally acceptable and qualified candidates. The very popular Prime Minister Mauno Koivistos' chances in this situation are passed over with eloquent silence or evasive comments.

Concerning the different party leaders' comments, it is a little surprising that the new chairman of the coalition party Ilkka Suominen joins the commu-



nist Aarne Saarinen as perhaps the foremost spokesman for the reelection of Kekkonen. Suominen should prefer to see that the traditional bourgeois parties agree on a mutual candidate, but he is thinking of a broad new front similar to 1978 when the coalition party together with the left and the center supported the reelection of Kekkonen. He answered a direct question on his attitude toward the reelection of Kekkonen this way: "Urho Kekkonen was elected with the support of the coalition party and the party sees no reason to withdraw that support from him and his policies. The argument that the man has sat too long at the helm has lost its importance, when the president handles the country's foreign affairs. As he does that well, and has the ability and willingness to continue, the calendar is of no importance."

### Seeking Unity

Mauno Koivistos' possible candidacy is parried by Suominen by asserting that it is the Social Democratic Party's job to put up a candidate that suits them.

The chairman of the Communist Party Aarne Saarinen says there is broad voting unity behind a good candidate somewhere between the left and the conservatives. He does not eliminate the coalition party from that unity. The next president's possible party loyalty is not important for the communists; other qualifications such as the ability to conduct relations with the Soviet Union are decisive. Will Kekkonen continue to receive the "probable" support of the communists?

Chairman of the Social Democratic Party Kalevi Sorsa believes that the major parties will put up their own candidates as long as a collective choice does not appear. Sorsa would not take a position on the reelection of Kekkonen, but he said, "The SDP has been satisfied with Urho Kekkonen's activities in many important ways." He would not comment on the possible candidacy of Koivistos.

### 'Third Republic' Wanted

Stockholm SVENSKA DAGBLADET in Swedish 3 Jan 80 p 2

[Text] President Urho Kekkonen's mandate runs out in 1984. That does not mean that presidential discussion is dead in Finland. On the contrary, it flares up now and then. It either takes the form of a personality debate, or an exchange of opinions as to whether the president shall only carry out representational duties or if he still should constitute a political power source.

In October of last year Ambassador Max Jacobson gave a speech on the presidential question. With his well-known skill with words, he originated a new concept, "the third republic," that society which would come after the second, or "Kekkonen republic."

The society of "the third republic" would have a less centralized power structure.

University Chancellor Klaus Waris went farther than Jacobson in a discourse on the presidency. Around Kekkonen, for many reasons, there has grown a belief in authority. Powerful leadership qualities, weak governments, a splintered Parliament and the long occupancy of the president's chair have contributed to it.

Kekkonen has himself on a couple of occasions maintained that many times he was forced to step in when a political government did not want to take the responsibility. An example was the trade talks with EG. Political courage has often been lacking when governments have the opportunity to avoid taking a bitter pill. The president could then step in and set everything straight.

Naturally, there are other aspects to a strong president. The broader governments that Kekkonen forced forth--he is believed to think that a coalition government for Finland is not a good permanent solution--have in the end been "loser governments." In other words they have not reflected the wishes of the people, as when the coalition party after its landslide victory last year refrained from government work. Elections must of course be taken seriously.

In his analysis Waris referred to a quotation from Erik Allardt, urging party leaders to "begin reviving a parliament which functions without direction from above."

Waris prophesied that a future president probably would have less influence than his predecessor, an opinion which is shared by the chief editor of HUFVUDSTADSBLADET, Jan Magnus Jansson.

What the latter desires are parties which function without steering from above, and a republic led by an independent, politically experienced chief of state--prepared to step in if needed. And, like Kekkonen according to the constitution, ultimately responsible for foreign policy.

Mauno Koivisto belongs on the list of presidential candidates. He was named prime minister by Kekkonen after the latest government crisis, and he is regarded by the people more as the head of the national bank than as a social democrat. His popularity is strong, except on the far left. Even as prime minister it is difficult to discern any party politics emanating from him.

However, it is a long time until 1984 and political moods change quickly in the land which was once half of the Swedish kingdom.

Coming into the 1980's the alert and interesting HUFVUDSTADSBLADET has been taking the measure of the party leaders' opinions. And now see--Urho Kekkonen is designated as candidate--if the world political situation deteriorates, and particularly if he has his health and strength intact.

A worsened world situation is not a senseless reason. But it is certainly not the only one.

Many find it important to "meet Olle at the gate", meaning by that to stop Koivistos' growing popularity. That applies especially to politicians within the Center Party, which now is being ably run by the moderate coalition party. During the decades of the 1950's, sixties and seventies the Center Party stood forth as the party about which almost every government rotated. It is hoped that capture of the presidency (by a centerist) and the party's position as guarantor of the Paasikivi-Kekkonen tradition will stop this retreat.

There is no reason here to anticipate the many possible events in a still relatively distant presidential election--the voters first must get through municipal and parliamentary elections. A candidacy can however be started: Archbishop Mikko Juva declined to exchange spiritual power for worldly power.

As it is more and more discussed, and if circumstances and Kekkonen allow, the reelection of the president is naturally interesting. From the Swedish viewpoint, however, the motivation is more important: "a worsened international situation." With the country's geographical location Finnish politicians have an unusually sensitive feeling for cold winds.

This does not necessarily hold true for circumstances farther away, and especially--with reference to the wording of friendship and assistance pacts--in West Germany and Central Europe. To avoid any misunderstanding we can also mention here the president's new year's message about relations to the east.

There is also reason for us Swedes, who are often optimistically convinced that trouble will always go away, to notice the Finnish uneasiness.

It certainly is true, as Kekkonen also implied in his message, that there are too many nuclear weapons in Europe.

Certainly--especially on the Kola Peninsula at the Soviet-Norwegian border not far from Sweden.

Let us still hope that the third republic will get its chance!

9287

CSO: 3109

## KEKKONEN'S FEUD WITH VIROLAINEN MAY COST LATTER JOB

Helsinki HELSINGIN SANOMAT in Finnish 12 Jan 80 p 9

[Text] Will Johannes Virolainen, 65, doctor of agricultural and forestry science, come to the end of his tenure as chairman of the Center Party next June in Turku? Ammunition is gradually being gathered in earnest for the election of a chairman in the next party congress. For sixteen years, Virolainen has piloted the party through participation in the government and through times of declining support.

The party's Kekkonen wing decided a month ago to put Virolainen's support to the test for the first time. The challenger is Foreign Minister Paavo Vayrynen. The Kekkonen wing may well pull it off this time. Two years ago, the faction's candidate, present Finance Minister Ahti Pekkala, had to face the self-confident chairman without the public support of Ahti Karjalainen, Eino Uusitalo, etc.

Virolainen will be shoved aside by stressing a natural change of generations, weakened support for the party, and by cautiously whispering that his marriage of 38 years is on the rocks. In the inner circles of those pushing for a change in the chairmanship, there is talk of waving the club of foreign policy over Virolainen's head.

## Kekkonen Involved

Virolainen had a taste of this tactic in the Jyvaskyla congress in 1972. A junta letter was distributed on the floor of the congress, in which Virolainen's foreign policy qualifications were questioned. The move ended up working against its authors. This time, they are bringing up Virolainen's interview in SUOMEN KUVALEHTI last June over which President Urho Kekkonen sent Virolainen a virulent letter.

In the interview, Virolainen explained why the Conservatives were left out of the government. Though Virolainen maintained he was talking about internal politics, Kekkonen accused him of undermining foreign policy. Apparently Virolainen has been given to understand that he is no longer acceptable as chairman, and that President Kekkonen concurs.

Among members of the dominant Kekkonen wing of the Center Party delegation in parliament, there has also been unofficial discussion of dropping Virolainen from the position of speaker. Such a suggestion appeared recently over the initials W.I.P. in KESKISUOMALAINEN, which is close to the Kekkonen wing; Marjatta Vaananen and Mikko Jokela were suggested for the speaker's spot.

#### Vayrynen Rehearsed

Foreign Minister Vayrynen's chances of defeating Virolainen are considered better now than those of past challengers. Since the 1964 party congress, when he defeated long-time party chairman V. J. Sukselainen by a vote of 888 to 866, Virolainen has faced competition in party chairman elections three times.

In 1970, Virolainen was opposed by Eino Haikala, who later gathered the National Unity Party from parliament. Virolainen won 1,225 to 597. Two years later, Vayrynen rehearsed for this year's attempt. He received 423 votes to Virolainen's 1,335. Two years ago in the party congress in Oulu, Virolainen defeated Pekkala 1,611 to 632.

#### Still Haunted By TV 2

On the other hand, Vayrynen's position is weakened by his celebrated "conversion" in the face of demands by the Kemijoki delegation and also by the foreign ministry's position on the Afghanistan crisis. Vayrynen will have to bear responsibility for the vague statement even though he actually had nothing to do with it.

The partial break in relations between Ahti Karjalainen and Paavo Vayrynen cannot help but have an effect on the extent to which the Kekkonen wing will actively work for Vayrynen. The clash came to a head in the election of a director for TV 2 in the Center Party delegation in parliament; Vayrynen's candidate Tapio Siikala defeated Karjalainen's long-time assistant, Jukka Juusela.

In the event that Vayrynen should for some reason not become a candidate, the most likely alternative is Finance Minister Ahti Pekkala, who is well-respected among party faithful. He also holds a trump card which Vayrynen lacks: age. Many Centrists, who want a change in party leadership, look askance at Vayrynen's youthfulness. Pekkala is 55, Vayrynen is 33. Vayrynen's opponents are also spreading the word that he and Pekkala are campaigning for the chairmanship. But the Kekkonen wing insists that Pekkala will not oppose Vayrynen.

#### Agricultural Producers Union Considers Election Open

If support is still evenly divided between Virolainen and a challenger as the party congress nears, the decision could depend on which candidate the



Central League of Agricultural Producers chooses to back. The agricultural league is apparently just keeping an eye on the situation, but it is possible that, at an appropriate moment, the word could spread through the league's rank and file whom they ought to vote for in Turku.

The agricultural league's chairman, Heikki Haavisto, is not likely to become a compromise candidate. The chances are considered slight that Matti Ruokola, Center Party leader in parliament, could bridge the gap between older and younger camps opposing Virolainen. Marjatta Vaananen, who manfully plays the power game, will stay on as vice chairwoman.

#### Immonen Will Go To Alko

If Vayrynen is elected chairman, Pekkala and Vaananen will continue on as vice chairmen. The vacancy left by Vayrynen will be filled by either Taisto Tahkamaa or Eero Hyrkko, both from Varsinais-Suomi, who have already begun to campaign for the position.

It is 99 percent certain that a new party chairman will be elected. Chairman Virolainen and Social Democratic Chairman Kalevi Sorsa agreed upon Party Secretary Mikko Immonen to succeed Nestori Kasalainen as administrator at Alko, the state-owned liquor monopoly. Alko's administrative council is politically appointed, but Kasalainen and executive director Pekka Kuusi are firmly opposed to this action.

Possibilities for new party secretary are party planning chief Seppo Kaariainen or organization chief Antti Maki-Reinikka. Other candidates are Antti Tuomikoski and parliament members Toivo Ylajarvi and Olavi Martikainen.

9551

CSO: 3107

## NEW LIBERAL PARTY CHAIRMAN DEMANDS RESPONSIVE GOVERNMENT IN 1980'S

Helsinki HELSINGIN SANOMAT in Finnish 25 Nov 79 p 25

[Article by Silja Linko-Lindh: "Liberal Party's Hard Line Would Make Finland Free of Hardened Administration and Cold Evaluations; Is Itala Talking Nonsense?"]

[Text] Finnish society is hard and cold.

"Ukko Kruunu" [Finnish Uncle Sam] treats his subjects as wards of the state without understanding the real values of human life. In the statistics society is built on a living average human being who has only a market value.

"The only thing that comes out of a central leadership is something hard," states Jaakko Itala, chairman of the Liberal Peoples Party, who is guiding the policy of his party toward a soft and warm-hearted civic state.

"A warm people-oriented civic state is a precondition in managing employment in the next decade. The world situation will require of Finland a new creative small industry, but the accomplishment of such an industry will demand a change of atmosphere. An enterprising spirit is initiative, and an enterprising spirit is a fundamental quality of a civic state."

Itala considers recent civic movement -- the Koijarvi and the Kemmi River environmentalists -- to be a sign that Finns are fed up with not being heard.

"Politics has superficially believed that a representative democracy and freedom of speech are sufficient to guarantee opportunities for citizens to influence their own society. But the amount of knowledge and the level of education and enlightenment on the part of the people have risen as means of communication have become more effective. Finns who now have an increased sense of well-being are reexamining life's values, and the fact is that opportunities to influence society, the administrative machinery, and politics, have not remained abreast."

Itala is announcing new channels for listening, new opportunities to influence society, and new positions. He wants to give people a greater voice in matters ranging all the way from the election of the president to the election of local representative organs. He wants to increase local economic decision-making power and keep politicians away from there where they do not belong.

## To Where We Have Arrived

"Finnish democracy has stopped at the doors of party and government offices," states Itala and admits that democracy is also suffering from distress on the steps of the Diet: "It is not able to come down from them."

"The Diet itself is treated as a subservient subject. It is not even told the most important issues of the decade: about the new large nuclear power plant. What do representatives elected by humble subjects understand about such things."

In Itala's opinion the administration's asthma is a consequence of the fact that the goals and means for achieving them have become topsy-turvy.

"When, for example, goals were established in social policy for social reform, they began to set about building an administrative machinery for accomplishing those goals. After a while the formalism important from the point of view of the machinery itself became the main goal while the actual goals and flexibility were forgotten."

And machinery does not run without creaking. In addition to the liberals, bureaucracy and official inflexibility have also begun to disturb the peace of mind of the Social Democrats -- not to mention the clients and citizens of the system.

"The administration's view of an individual is incorrect. The individual being served by an official is not a humble subject in need of guardianship, but a self-acting citizen, enlightened, and conscious of his importance."

Itala does not want to accuse individual officials of being bureaucratic, official inflexibility is not the same as the inflexibility of an individual official.

"The tradition of the Finnish civil servant is good. Civil servants want to offer comprehensive service and to develop their own area. But their work is shackled by a heavy machinery for the dismantling of which there is no political will."

Itala admits that the tradition of "Ukko Kruunu" is still a hindrance. A civil servant who has come from the country into an office in the capital city immediately believes that he can resolve the problems of any small community better than someone sitting next to the problem.

## A Politicized Administration

Administration has always been one of central leadership. According to Itala the parties have adopted the same model. They are more and more being directed from above.

"Administrative bureaucracy and party bureaucracy entered into marriage when official appointments at the upper level of administration became politicized. I do not just mean political appointments at the very top, but personnel solutions a couple steps down.

"Naturally a child was born of this marriage: compulsory membership spread to ever lower offices at the state as well as local level."

In Itala's opinion politicization has created party grapevines in addition to the administration's official communications. Along them travels the word: be of this opinion, this is the party's stand.

In spite of the grapevine, Itala does not want to compare the administration with a worm which would crawl out from under or eat its way from strata to strata.

"But I would warn against the consequences of compulsory membership. When a person must choose a suitable political stand in order to obtain a position or advance in his career, it is no longer a question of forming an independent and free opinion. From political dependence comes unreality, and the party will one day have to eat crow.

"The membership card system also denies a person's right to remain silent about a philosophy. When positions are to be accommodated as political packages, the nonaligned are denied a position just as those who are politically active but the philosophy of their party remains outside of the packages."

In Itala's opinion compulsory membership shoves aside the old principle according to which an individual advances in politics by the number of votes and in administration by his competence.

"Now it can no longer be said that a competent individual has been selected for some position in spite of a political appointment, but instead it can be asked whether the most competent will be selected."

#### Politics to Its Own Fate

Itala points out that in the 1950's politics was nearly a swear word, and the same danger now exists since politics is interfering in irrelevant issues.

"Politics is a valuable thing, and this discussion should not become a general criticism of party politics.

"Politics has placed itself in a bad light. It has interfered in free civic activities and has estranged people from one another. It has sown the seeds of distrust and has otherwise poisoned cultural and secondary educational policies."

Itala mentions state subsidies to be distributed to organizations as an example of irrelevant politicking. Political organizations have received a

privileged position in this granting of subsidies. This has once again created a false dependence. These subsidies have become a form of hidden party support and do not belong in the operations of a soft and responsive civic state as outlined by Itala.

"Government support should be distributed primarily for the nonpolitical activities of people. Assistance to the special organizations of parties should instead be distributed through normal party support."

Instead of becoming involved with everything the prestige of politics can be raised in other ways.

"We are lacking an ingenious political discussion, in which proposals and counterproposals are thrown out for consideration. Such a discussion would determine the rise or decline of the prestige of politics," conjectured Itala.

#### Warm and Soft

The basic concept of the liberals' people-oriented civic state is that the qualities of all solutions would be examined from a new angle.

"Such arrangements which maintain and improve warm human relations, emphasize the value of the human being, and provide flexibility and freedom instead of systems leading up blind alleys should be given primary importance," states Itala.

"It is incorrect to argue that the present technical and hard society would have been born as the result of a long deliberation. It is rather the consequence of incorrect positions and laziness with respect to thought. Time and money have been sacrificed on alienation even though a people-oriented, soft solution would have been quick, flexible, and inexpensive."

Itala refers to the concrete policy of our housing environment, which has been defended by the demands of the construction and construction materials industry and superficial views, according to which, for example, rental housing in municipalities must be built as multistory apartments.

"Community planning with all its details is indeed a triumph of administrative inflexibility," snorts Itala.

"Housing groups must have a say regarding their environment. It is not sufficient that they have a right to appeal a design spit out by the official machinery. They should have a right of appeal already in the planning stage, and issues should be discussed in correct, understandable language instead of the legalese used by bureaucracy.

"The real value of life must be understood and taken into consideration. It is not sufficient that a technical value is paid for a house that lies in the path of a highway. It does not, however, compensate for that price which the person losing that house will have to pay in order to live somewhere else, perhaps in a two-unit apartment building."



## **We Must Refrain from Leading**

In a liberal civic state the preferential position of "Ukko Kruunu" with respect to his subjects would be reduced.

"But if the common good is, however, more important than an individual's, compensation for a person's loss must be paid in advance," demanded Itala in referring to the Kemi River and many other compensation conflicts concerning water systems.

The economic guardianship relation between the state and local governments must be given up.

"It is completely absurd that a small and poor township is only allowed to determine the number of personnel employed in its local offices and possibly the construction of a new local administrative building. Government assistance which is now paid at the instigation of the administration should be changed to a single lump sum, on the use of which the township can make its own decisions.

"The present system forces the local government to emphasize matters for which state aid is being granted and to push aside those issues for which no aid is forthcoming even though the issue may be very important from the point of view of the local people. It would be in the interest of the local people that these issues be handled in the best manner possible. They are capable of supervising their own interests, they do not need to be led around by the government.

"But local government must also allow its residents to make and influence decisions. There are many complaints that parents are not interested in their children's education, but it is only the local governing council that selects representatives to the school boards. The selection of representation to such an organ should indeed be in the hands of the parents themselves."

## **Include the People**

In the people-oriented civic state of the Liberals the president would be elected in a two-phase direct referendum. In the first round the two candidates receiving the most votes would be eligible for the second round in which the office of the president would be decided.

"The idea is not new," admits Itala. "It was indeed the main proposal of a certain committee report, and would have gone through, but then the political viewpoint changed.

"The model is not bad: if the people are as unanimous about a president as they have been in recent decades, then allow them to declare their unanimity in direct elections."

Itala does not believe that a two-phase election would cause election apathy. He points out situations in which there have been short intervals in between elections and the voting percentage has remained high.

Advice-giving referendums would be a way for a responsive society to listen to the opinion of its constituency.

"Such elections should be arranged especially when the parties do not dare to take a stand. An example of this is a vote on a prohibition law. Issues should be subjected to a referendum also when political parties have their own cow in the ditch regardless of which side of the fence it is on."

Popular initiatives would be a more flexible way than elections.

"A popular initiative to the Diet would be an indication to politicians that the people are adopting new values and views more quickly than the parties themselves. Since an initiative would require many signatures, the members of the Diet would get a glimpse of a real need for change, which they are not able to do from the steps of parliament on Arkadianmaki."

#### Looking for a Direction

In describing a soft civic state Jaakko Itala does not believe that he is talking nonsense. In his opinion a change is possible.

"Previously it was thought that a forceful contribution by the state and local governments is imperative for improving the welfare of the people. Therefore, it was believed that the more that state and local government are involved the more progressive we are and the more regressive self-initiatory nonpolitical enterprise. In the same manner of thinking it was also progressive to be involved in the government.

"Now material well-being has been guaranteed, but not everyone is employed. The hope for increased freedom and room to move is now rising to the surface and along with it increased spiritual well-being and initiative. I am not at all sure that participation in state and local government will be considered so progressive in the 1980's. The Koijarvi and other environmentalists are signs of this."

Itala has awaited a change in the political discussion, which he considers to be superficial and leaving the content of politics untouched. For example, he sees the leadership discussion in a couple parties as a personal conflict rather than a policy conflict.

"The celestial signs have changed," Itala assures us. "Politics is sailing under new stars. The method of navigation stays in the memory, but the direction in which we are sailing and suitable landmarks are not yet known. There is apparently a realization even in other parties that people's evaluations have changed and the order of importance regarding issues have also changed."

The concept of a civic state is Jaakko Itala's challenge to other parties looking for a direction. A rejection of this view would be that politicians still want their constituencies to remain insecure and humble subjects, for whom broader channels of influence cannot be granted.

10576

CSO: 8117/0561

## SAARINEN TO STALINISTS: LET PARTY VOTE ON GOVERNMENT ROLE

Helsinki HELSINGIN SANOMAT in Finnish 21 Jan 80 p 10

[Article: "Saarinen Read Law to Taistoites: Entry Into Government to Be Cleared Up by Vote"]

[Excerpt] Communist participation in the government is to be voted on at the next congress of the SKP [Finnish Communist Party] unless a unanimous decision can be reached, announced SKP Chairman Aarne Saarinen on Sunday in Tampere. Saarinen once again verbally lashed out against the party's Taistoite minority and demanded a halt to "factionalist activity" in the party.

"For the sake of clarity it must be said that the 18th Congress of the SKP (1978) officially approved the controversial question of the party's participation in the government even though no vote was taken. Now that misleading information is being presented with respect to this matter, I am of the opinion that at the next congress a vote should be taken unless unanimity can be reached so that any ambiguity can be avoided," stated Saarinen.

At the Communist congress in the summer of 1978 the conflict between the Saarinenites and the Taistoites regarding participation in government was avoided in such a way that the Saarinenites were able to note their support for the party's ministers and SKP participation in government in the minutes of the meeting.

In Tampere Saarinen demanded that the Taistoites accept the decisions of the party majority and cease from factionalist activity. "Actions according to the regulations presuppose that unless a unanimous decision is achieved as a result of an exchange of opinions, an issue must be resolved by a vote. At that time those who have been left in the minority are also obligated to carry out a decision brought about in such a manner".

The SKP's Taistoite [Stalinist] Diet members have performed as if they were representatives of opposition parties in the Diet.

According to Saarinen unity can be achieved in the Central Committee of the SKP only when the members of the party turn their back on the Taistoite faction. The composition of the current Central Committee is such that it is

not capable of working in a cooperative manner. Saarinen urged Communists to ensure that the next congress will elect a Central Committee capable of cooperation, "which does not mean a compulsory parallel course of opinions within the party, but a Central Committee composition capable of cooperation as is stipulated by the statutes".

#### "U.S. Ideas on Afghanistan Akin to Hitler"

In talking about the events in Afghanistan Saarinen accused the United States of unscrupulously using these events to escalate international tensions. Maintaining tension is according to Saarinen in agreement with the interests of U.S. "weapons monopolies and militarist forces".

According to Saarinen the people of Afghanistan have been living in the dark ages. The people have been infused with a barbaric and inhumane religion, which, among other things, places women in a position no better than that of an animal.

"When Communists and other progressive forces attempted to introduce an educational system in Afghanistan and create a literate population, those appealing to religion forced women and children to drop out of school and teachers were murdered. Even in this connection the United States seems to hold on to that fateful idea according to which fascism or any other barbaric system is better than socialism and communism. This kind of thinking is related to Hitler's method thinking and thus represents a great danger to world peace," stated Saarinen. In his speech Saarinen did not discuss Soviet intervention in Afghanistan.

10576

CSO: 3107



## SAARINEN ANGRY, READY TO 'PURGE' CENTRAL COMMITTEE STALINISTS

Helsinki HELSINGIN SANOMAT in Finnish 22 Jan 80 p 2

[Editorial: "The Last Alternative"]

[Text] The tone of voice in the internal conflict in the Finnish Communist Party seems to be becoming harder. The individual now going the furthest is Chairman Aarne Saarinen, who is proposing that certain measures be decided on at next year's congress. He is requesting that party members turn their backs on the "factionalists" and expects that the composition of the Central Committee will be conducive to cooperation.

Saarinen's demands are a logical continuation of his recent appearances. He now seems to be completely fed up with this situation which for the most profound reasons among Communists themselves has in Marxist terms been seen as "a subjugation of the thinking of the living by the thinking of dead generations".

It is understandable that this division, in particular, which has continued for 10 years already in the Central Committee disturbs Saarinen. The demand concerning its composition can indeed be interpreted in such a way that an ability to cooperate concerns both factions, but in practice it means a purging of Taistoites from the Central Committee. Since the members of the minority have continually lost support, a purge at the congress will with those prospects be easy for the Saarinenites.

Such a procedure would have a two-pronged effect. Since ostensibly unanimous decisions would be abandoned, the minority would not be able to insert its own ideas or be able to interpret them in its own way. And since decisions of the majority are according to the statutes "binding on all members of the organization", the party leadership could "hold responsible those members who violate party decisions and party discipline". The most severe party punishment is dismissal from the party.

Thus the minority would hardly have any other choice but to establish their own party, which in the communist movement is very rare, perhaps even unique. But even that is better than the current unhealthy situation, in which one faction of the party is in the government while the other works against it in the same manner as its worst opposition.

## PARTY LEADERS' REACTION TO AFGHAN EVENTS DEEMED 'NONSENSE'

Helsinki UUSI SUOMI in Finnish 10 Jan 80 p 2

[Editorial]

[Text] The statements of our political parties on the situation in Afghanistan attract attention by their obscurity, which is only following the line drawn by the Foreign Ministry. The typical party statement succeeds in avoiding even the mention of Afghanistan by name, referring to regional crises "particularly in certain Asian regions," which threaten world peace.

Of the major parties, the Social Democrats and the Conservatives have not taken formal positions on the issue. Even silence is more honest than rattling off obscurities. But perhaps they have not yet become aware of any unusual events "in certain Asian regions."

Only the political committee of the Finnish Communist Party has made a somewhat clearer statement, viewing the events in Afghanistan--even mentioning it by name--as the result of NATO's European missile policy and of disturbing developments in the Middle East.

Perhaps the party leaders in all their overwhelming caution are playing it safe by saying nothing which might have to be explained later on. They are not necessarily required to comment on the international situation, but in the minds of the people, their evasive statements with their carefully framed nonsense expressed a position anyway, whether the parties wanted it or not.

9551

CSO: 3107

## COMMENTATOR ATTACKS 'COWERING' OF PARTIES

Helsinki UUSI SUOMI in Finnish 11 Jan 80 p 3

[Column by Veli-Antti Savolainen]

[Text] After the Finnish Foreign Ministry gave its incredible statement--or non-statement--on the events in Afghanistan, the suspicion crossed people's minds that it was handled that way so that the Russians would not be angry. Spokesmen for the ministry hastened to explain that this is such an enormous crisis involving the major powers, that Finland should not intrude with its opinions, even though the president once said that Finland is not neutral when it comes to matters of war and peace.

It is true, of course, that Finland could not have influenced the course of events if it had been the divinely appointed spokesman of the White House. But still, many wondered if our realism leaves us any room to move around, or are we cowering again. This should come as no surprise. Of course we are cowering, though not out of fear for the Soviet Union. The reason is simpler: Cowering has become an acceptable and cherished way of life in politics.

It's not hard to come up with examples. Take for instance the presidential issue in Finland. Nobody says a thing because it is not known if it will be necessary to cower before the current occupant of Tamminiemi after 1984. Bowing and scraping before Kekkonen is a favorite pastime of leading politicians.

Or would any other free country publicly heap such scorn on its leading politicians for no reason at all, as happened here a few years ago when the "emergency government" was put together. That state of emergency caused nothing but trouble. It was subsequent leftist, Centrist, Swedish Party and Liberal governments which brought the Finnish economy up to one of the highest levels in the world last year. The grass-roots politicians and the parties quietly did what everyone thought was the big lie.

Or does it make any sense that, for the last five years, the country's largest party has not represented the ideology it stands for, but in its

abject cowering, it has fallen into aimless class compromise and self-denial. It has been nice for us bourgeoisie, but . . .

However, the world record in cowering is being set by the country's largest opposition party, the Conservatives. In their craving to get into the government, they can no longer be called opposition. Since the elections, they have gotten along so well with the parties in the coalition, that the coalition parties have scarcely found such good buddies in the government as the Conservatives have been for the last year.

The Conservatives are doing the same things that won big in the last election. They spent much of the 1970's criticizing the Social Democrats for their lust for office, now they are consumed by the same yearning.

But the Communists are the most sensitive of all. They are losing voters at a dizzying rate, so they are aiming their declarations in a new direction. Just as artists are beginning to come out of their trance of the 1970's and are starting to make art instead of statements, so the People's Democrats are starting to talk of throwing their nets into middle class waters. Even the proletariat is developing a taste for cowering.

For fifteen years, the Center Party has tried to bow to the cities and turn their backs to the rural areas, but without results. In recent years they learned that you can't fool the people all the time. Then along comes Foreign Minister Paavo Vayrynen from Lapland, surprising everyone by taking a stand on something. Vayrynen expressed his earnest opinion on how municipality boundaries should be drawn in the Helsinki area; in this matter he had the audacity to claim expertise, to take a stand . . .

Well, dear friends, isn't it terrible when you think about it? But we don't realize that we're doing it too, if only by letting it go on. Cowering is like a narcotic--the more you get, the more you want.

Hurrah for cowering!

9551

CSO: 3107

## DOMESTIC PEAT PRICE RISES WILDLY

Helsinki HELSINGIN SANOMAT in Finnish 21 Jan 80 p 10

[Article: "Peat Becoming Rapidly More Expensive, Price May Increase Even 60 Percent"]

[Text] The future will hold perceptible increases in the price of domestic peat during the next negotiating period. These increases are, on the one hand, the result of a revision of production expenditures and, on the other hand, the result of an increase in transportation expenditures. The final price of peat to the industrial plant using it will be determined by, among other things, the distance of the production area from the plant. According to various estimates the total price of peat may increase even 40-60 percent.

"According to the most recent estimates the price of peat at its highest will be 60 percent of the price of oil or the price relationship of these energy sources will remain nearly unchanged," states Counselor of Forestry Kosti Ranta, managing director of the State Fuel Center. Vapo currently handles approximately 90 percent of the country's peat production.

According to Ranta the new tariffs on peat will be around 80-90 percent with respect to the price of coal. Pekka Rainio, managing director of Tampere Municipal Electric Plant, estimates that at this time the price of peat is three-fourths of the price of coal after delivery. According to Rainio the effective price of peat is now approximately one-half of the price of oil and approximately 90 percent of the price of coal.

According to Counselor of Forestry Ranta many plants are at this time obtaining peat at a price which is indeed beneficial to them, much less than half of the price of oil. "This is above all the result of the slow movement of pricing in Vapo," explains Ranta.

Managing Director Rainio estimates that, for example, the profitability of Tampere's Naistenlahti II power plant, which uses peat, will remain satisfactory only if the price of peat remains competitive with respect to coal.



### Price Will Depend on Distance

The current phase of Finland's peat industry began in 1971 when the Diet requested a program concerning peat. The actual consumption of peat began in the Kuopio-Tampere-Oulu triangle when peat-operated power plants were built for the cities. The consumption of peat began to increase toward the end of the decade.

"Just as much peat was used last year as in the whole decade of the 1970's in the plants operated by Vapo," states Ranta.

According to Ranta information concerning peat production expenditures were quite limited in the beginning. At that time the source of computations was primarily made up of figures in the Suo Corporation, which was purchased by Vapo.

"Now we have been able to determine expenditures on the basis of our own experience and information and we have informed our clients about the development of the price of peat," states Counselor of Forestry Ranta.

According to Ranta it is a question of relating the price of peat to the domestic level of consumption.

Also a change is taking place in the pricing of peat. Until now the basic price of peat was determined as the total delivery price to the client. Under the new system the basic price of peat will be determined at the place it is stockpiled. The total price for a client will then be determined by the distance of the source from the consumer and by the method in which it is transported.

"It is a question of systematizing pricing. At the source production prices will be the same for everyone. In addition to this, we will pay for expenditures incurred in transporting by truck or train, but these expenditures will represent a loss to us. For this reason we will have to increase the price of peat demanded from the client. If the consumer is located far away the price will increase somewhat. Prices for consumers nearby will remain nearly the same," estimates Ranta.

According to him no changes will occur in transport expenditures if the client is within a range of 20-40 kilometers from the area in which the peat is stockpiled.

Counselor of Forestry Ranta emphasizes that Vapo will not at any time dictate the price of peat. "Price formation will always be a mutual transaction. We will present our calculations supporting an increase, but the final result with respect to each client will occur by means of negotiations."

#### Six Million Cubic Meters of Consumption

Vapo is consistently meeting the production goal given to it by the Council of State. According to them Vapo's annual production will be 20 million cubic meters by the end of this decade.

According to Vapo's calculation approximately 6 million cubic meters of peat will be consumed this year. Future growth is expected to continue at a rate of 2 million cubic meters annually.

"We now have under our management enough bogs to meet these production goals. However, we are continually looking for new areas so that we can guarantee the needs of our clients for a long time."

According to Counselor of Forestry Ranta the forceful increase in transportation expenditures will have a greater effect on the locating of new peat plants. The limit of 100 kilometers between the producer and the consumer, which until now has been considered to be a reasonable rate, will be adhered to more closely in determining the location of a power plant.

It is assumed that peat will make up 5-7 percent of the consumption of fuel in the government's energy policy program.

"This percentage will be primarily used in the belt running across Finland, in the provinces of Vaasa and Keski-Suomi [Central Finland] as well as in Pohjois-Savo and Pohjois-Karjala, and in the northern part of this area," states Ranta.

He estimates that alternative fuel will be given greater consideration in the plans of power plants using peat. This will happen, for example, in Tampere where there are plans to build a 60-100 megawatt power plant in the middle of this decade.

"It will be possible for us to deliver peat to this plant from the area of Vaasa, but I believe that Tampere will have to make an accurate comparison of various alternatives," states Ranta.

Tampere and Vapo are currently negotiating additional deliveries of peat to the Naistenlahti Power Plant.

10 576

CSO: 3107

## PISTOLS DESTINED FOR BEIRUT SEIZED

Athens I VRADYNI in Greek 16 Jan 80 pp 1, 10

[Text] Mystery continues to surround the case of the boxes containing 1,035 automatic pistols seized at Mikra of Thessaloniki airport. In any event, the investigation has thus far produced the following information:

- a. The weapons are war pistols of German make used mostly by extremist and guerrilla groups.
- b. The weapons were shipped by the Swiss company "Sternick" [transliterated] which deals in arms and has its headquarters in Zug.
- c. The supposed destination was Beirut.
- d. The shipper was identified as an Athens resident named E. Vikelis.
- e. The manifest of the airline transporting the weapons identified them as "painting pistols" while the bill of lading refers to them as "pistols."

## Special Permit

The pistols reached Salonica via Vienna. The shipping company, Mediterranean Agencies Ltd., was instructed by attorney Strangas, the Sternick agent (in Salonica), to take charge of the transfer of the weapons to their destination (Beirut) but without making known to the company the identity of the recipient.

In its statement to the Mikra airport customs office, AUA Airlines which transported them refers to "painting pistols."

The boxes reached Salonica on 28 December and following the order to ship them [to Beirut] the representative of the shipping company, A. Koutroumanidis, who was shipping such items for the first time, asked the Salonica Port Authority for information concerning the procedure for loading them on a ship. The Port Authority replied that to allow the loading it required a special permit approved by four ministers--national defense,

public order, merchant marine and commerce. The agency advised Strangas about the permit required by the Port Authority and he replied that he would take steps to obtain the permit.

#### "Painting Pistols"

On 13 January, AUA Airlines presented to the customs office the cargo documents which stated that the boxes contained pistols. But the initial manifest spoke of "painting pistols." When the customs officials noticed the discrepancies between the two documents, without notifying the police or the Customs Director General they opened one box and saw that it contained military weapons.

The police and the customs authorities learned about the boxes yesterday from the report published in a Salonica newspaper.

#### War Weapons

At that point the public prosecutor intervened and instructed the police to go to the customs office, remove the boxes and start a preliminary investigation. Weapons experts were also ordered to examine the pistols. According to our information, they determined that the pistols are war weapons used by extremist and guerrilla groups.

#### Clarification Expected

The responsible airline official has been in Vienna since last Friday. Upon his return he is expected to clarify why he wrote "painting pistols" on the declaration.

Strangas is also expected, upon his return from Igoumenitsa of Thesprotia where he has gone on business, to indicate whether an application was submitted for the ministerial decisions required for the transfer of the boxes to Beirut.

Only Koutroumanidis is currently in Salonica. He stated that he had received instructions to transport the weapons and that he was waiting for the ministerial permits to proceed with their shipping.

#### Police Report

Late last night the police headquarters made public this report:

"The Swiss company Sternick with headquarters in Zug sent by air 12 carton boxes weighing 4,444 kilo grams. They were sent to the Mediterranean Agencies Ltd., a company headquartered in Salonica and managed by A. Koutzoumanidis. The boxes were received by the Sixth Customs Office in Salonica which was not aware of the contents.

"The carton boxes remained until 2 days ago at the airport customs office when the representative of the airlines delivered to the customs office the manifest and the bill of lading with the indication 'pistols' and a handwritten notation in Greek with the words 'painting pistols.'

"Because the customs officials saw a discrepancy in the declarations they opened one box and found that it contained war pistols. Following this, the public prosecutor ordered the police to start a preliminary investigation.

"The preliminary investigation has thus far disclosed that the carton boxes were received on 12 December 1979 and remained at the customs office until yesterday. The boxes contained 1,000 pistols of 6.35 mm and 35 pistols of 7.65 mm destined for Beirut. The sender of the boxes is E. Vikelis, resident of Athens, engaged in air cargo transportation for the Onyx Aviation company headquartered in Athens. The investigation continues."

7520  
CSO:4908



## RETIRED OFFICERS MEET WITH MARKEZINIS

Athens ELEVTHEROS KOSMOS in Greek 17 Jan 80 p 1

[Text] Sp. Markezinis began his meetings yesterday with the public. More than 300 retired senior and general officers of the army, navy and air force were the first group to visit Markezinis.

The meeting took place last evening at the Progressive Party headquarters and club on Panepistimiou St. [Ret.] General Petros Nikolopoulos, honorary chief of the Army General Staff and former deputy commander under Gen. Napoleon Zervas in the Greek Democratic National League and the [Zervas-led] National Group of Greek Guerrillas, addressed warm and inspired greetings to Markezinis. Addressing his older and younger colleagues in particular, Nikolopoulos underlined that the national effort made by all Greek officers in all the wars since Asia Minor is endangered now more than ever before. "The situation," he said, "is leading us to destruction and time is running out."

In his response Markezinis thanked those present at the meeting and then analyzed in detail the domestic and foreign problems facing our country these days. Markezinis pointed out specifically the country's economic problem caused by the government's poor policies in this sector. He referred to the contents of his statement last November as well as his New Year's message and concluded that the future is bleak and that the change must be brought about by the conservative class which, with its progressive character, has waged and won all the battles for our nation's survival.

It is noted that in addition to Nikolopoulos the following senior officers were present at the meeting: Generals Mikhail Xenos, Pan. Syrmopoulos, Pan. Dimopoulos, I. Mallikouris, Pan. Khristopoulos, Air Force Generals G. Kostakos, K. Davakis and others.

Following the meeting with the officers, Markezinis received delegations and representatives of various professional and technical groups as well as committees from various Athens suburbs.

Finally, 2 days ago, Markezinis attended the cutting of the New Year's cake at the Progressive Party's club which was filled with distinguished members of the Athenian society.

## RIGHTIST TERRORISTS MAY BE ACTIVE IN CATANIA

Palermo L'ORA in Italian 17 Dec 79 p 10

[Article by C.P.: "Fascist Terrorism Returns, With New Symbols but Following Old Trails"]

[Text] Catania--The Catanian neofascists have recently returned. Since the Piscator motion-picture theater was set afire, the officials of DIGOS [Directorate for General Investigations and Special Operations] have been sure of that, for they have had the job, for several weeks, of trying to find out who committed some extremely bold acts which seem to have been done by the same people who pulled off other rightist attacks in the past. Nothing is certain yet, they say in police headquarters, but the feeling is that a trail can be picked up which will link the terrorists of recent days in one way or another with the events which first upset the city of Catania in 1971, and then again in 1976 and 1977.

There was a return of terrorism last year, too, in the days preceding the arrival in Catania of the Eurodestra party, led by Almirante. What was involved there was acts which a Rautian group of the MSI [Italian Social Movement] wanted to organize in response to Almirante's political line, which was described as soft.

The resumption of terrorist activities now seems again to be linked to what is happening within the Catanian MS [Social Movement], where disputes go on all the time and where another group of young people left the party just a few weeks ago which, however, still seems to have frequent contacts with some of the provincial leaders. In spite of the multiplicity of appellations which were used, the DIGOS believes that there is a connection between the present terrorists and the ones who turned the city upside-down in the past. In the course of hardly a week, the two acts organized by the neofascists--the assault on the employment office and the fire at the Piscator theater--seem to be ascribable to the same group, even though the names of the organizations claiming responsibility--the People's Revolutionary Opposition [OPR], in the former case, and the Revolutionary Nucleus of Oppositional Power, in the latter--are different. The language used in the message which the NRC had delivered calls to mind the one that

was distributed last week by the group calling itself the OPR in which it claimed responsibility for the assault on the employment office, which it described as a "center of Marxist-clerical power," may constitute a proof of this.

The same language was used in connection with the attack on the Piscator theater. The message bearing the signature of the NRC says: "We have destroyed the Piscator motion-picture theater, which was a deceitful center of disinformation. We are hitting the centers of pseudointellectual self-abuse because they constitute a means of alienating individuals which is convenient for the Marxist-clerical system since they bring the individualities of the mass of young people, along with their wrath over being isolated from the main stream of life, into spiritual, political and cultural activities of little significance, keeping them from pursuing the common objectives of anticapitalist and anti-Marxist struggle.

"We are responding," the message concludes, "with a counter-power program in the cities aimed at the destructive pattern of the system for producing a mass mentality and obscuring objective historical reality."

9258

CSO: 3104

## LEFTIST TERRORISTS ARRESTED IN SASSARI

Messina GAZZETTA DEL SUD in Italian 20 Dec 79 p 15

[Text] Sassari--Four young members of extreme leftist organizations (according to the police, two of them belong to "Autonomia") have been arrested by the members of the mobile squad who caught them by surprise in an automobile containing weapons, ammunition and a "kit" for kidnapping people. The operation, which was coordinated by the leader of the mobile squad, Dr Deiana, took place late Tuesday evening in via Luna e Sole, in the residential district of Sassari. The police officers cut off a Fulvia Lancia 2000 bearing the license plate SS 90003 and containing four people. At the time the car was stopped, one of the individuals in the car, Luciano Burrai, 23 years of age, from Bitti but residing in Rome, attempted to throw a hand grenade at the representatives of the forces of law and order. When Luciano Burrai had been put under control and immobilized, the policemen arrested all the people in the automobile, and it was taken to police headquarters.

In addition to Luciano Burrai, Angelo Pascolini, 24, from Rome, Sergio Manunta, 21, from Sassari, and Antonio Solinas, 29, from Castelsardo (Sassari), were handcuffed.

In the automobile, the policemen found a machine gun, 6 pistols, a hand grenade and 2,000 pistol and machine gun cartridges. Furthermore, they recovered a traveling bag full of volumes praising the extreme leftist movements not represented in Parliament and the Red Brigades. Also captured was a complete set of equipment for kidnapping people: a ski mask, black hoods, chloroform, syringes, adhesive tape and ropes. The investigators allegedly are convinced that they succeeded in foiling a kidnapping. According to some people, the possibility that the designated victim was a politician or a magistrate cannot be excluded.

Among other things, the investigation which is being conducted is attempting to determine the circumstances under which the members of the group became acquainted with each other, since they were born in and are residents of different localities. In particular, the investigators are examining the situation of Sergio Manunta, who is the son of the milkman

Salvatore Manunta, 72, and the brother of young Enzo Manunta, who was charged with the crime of [attempted] murder for the unsuccessful dynamiting attempt directed against the deputy public prosecutor of Sassari, Dr Giovanni Antonio Mossa, in December 1977. The trial of Salvatore and Enzo Manunta (the latter is also considered to belong to the "Autonomia" area) began on 11 December 1979 in the Court of Assizes in Rome. In fact, the judicial investigation of the unsuccessful attempt was assigned to the Roman Bench.

It was on 30 December 1977, shortly after Dr Mossa had returned to his home at 8 viale Adua, in Sassari, that he noticed a strong odor of burning coming from the stairs. When he opened the door, the judge found an envelope from which smoke was escaping located on the front door mat. Thinking that it might be an explosive device, Dr Mossa sent the envelope tumbling down the stairs with a kick. The judge's decisive action made the fuse go out and a bit later the members of the mobile squad discovered that the package contained approximately 1 kilogram of an explosive material prepared in the form of 5 sticks of gelatin dynamite with a detonator and a short fuse. The checks then carried out by the pyrotechnic experts on the powerful device established that if the bomb had exploded it would have done extremely serious damage to the nearby houses in viale Adua, which are occupied by several families. In the course of their inquiry into the case, the investigators were led to Salvatore and Enzo Manunta by an anonymous message. When a house in the country belonging to the milkman was searched, a pistol, various projectiles and some sticks of explosives similar to those placed in front of the front door of the apartment occupied by Dr Mossa and the members of his family were found.

The possibility cannot be excluded that the target of the criminal action which was being prepared was [against] the deputy public prosecutor Mossa, himself. Via Luna e Sole, where the group was intercepted, is only a few hundred meters from viale Adua, located in the "Torres" residential district, which is adjacent to the "Luna e Sole" quarter.

In addition to being accused of conspiring to commit a crime, carrying and possessing arms and ammunition and possessing materials suitable for use in performing kidnappings, the four arrested individuals are being charged with complicity in multiple attempts at homicide with regard to policemen in the performance of their duty because of the attempt to throw a grenade which was made by Luciano Burrascano shortly before the military intervened.

9258

CSO: 3104



## SICILIAN REGIONAL GOVERNMENT DEADLOCKED

Milan IL GIORNALE NUOVO in Italian 14 Jan 80 p 2

[Article by Danilo Granchi: "Dark Signals Exchanged Among Parties in Sicily"]

[Text] Palermo, 13 January. At today's commemoration ceremony in honor of Nenni, organized by Sicilian socialists, in the role of protagonist was Vito Cosumano, party secretary general and close friend of Salvatore Lauricella and also the catalyst in last month's regional crisis which is still going on, no one knows for how long. The mere presence of those who were here today emphasizes the political value of Cosumano's absence at the meeting on Friday with the Republican Party (PRI) delegation, the next to the last in a series which have been promoted by the socialists, whose declared aim is to form a regional unity committee to include the communists. This, in Italy, would be considered a first. In fact, refusing to appear in person at the meeting with the PRI, Cosumano has admitted that the whole operation, which got off to a rough start, has already bogged down.

One at a time, all the representatives of the Socialist and Christian Democratic (DC) Parties have officially made their views known since the end of December and have made it plain to him that the Sicilian PSI (Italian Socialist Party) action was to be considered a jump in the dark. More rash even than his own party colleagues, on Christmas eve Cosumano announced the ultimatum: either the Italian Communist Party (PCI) also be included in the committee or the PSI would go over to the opposition. However, except for the official applause of the communists, no one was ready to follow him on his rigid position, not even the Social Democrats (PSDI), despite proforma words of sympathy for their cousins. Yesterday morning the PSDI regional congress came to a close after electing 14 delegates to send to Rome to the 18th national congress. Within that group, the one who expounded the most daring formula was Pasquale Macaluso, a regional assessor, who spoke in vague terms of the "Rapport of Autonomy Solidarity," whereas the national deputy Carlo Vizzini, mincing no words, said that "the prerequisites for a communist presence in the government just do not exist."

The PLI's papering over of Cosumano's inquiries was brought about by the island's liberal party leaders' awareness of the inquiries' eventual doom. Last June's elections showed the PLI evidencing signs of a revival, which resulted in a new attractiveness on part of the party. In Messina, activity center for Enzo Palumbo, Sicilian representative at high party levels, Prof Saverio D'Aquino, former national deputy, has rejoined ranks with the liberals. The regional secretary is Francesco Braschi, from Trapani, the assessor of finances in that city, where the PLI and the DC work in unison. With administrations presently in power, the liberals attempt to preserve above all their image of a clean party, hostile to hoarding of power.

However, it is the very communists to give ever more obvious signals of impatience and of lack of willingness to accommodate, consonant with the feelings at the national level, and with a distinct aversion to "crises in the dark." The spokesman for the above is a close collaborator of Berlinquer and the PCI member number one in Sicily, Emanuele Macaluso. With the passing from the scene of Pier Santi Mattarella, assassinated on the day of the Epiphany, the communists' lack of good will has been accentuated, because in Mattarella, the communists saw the best go-between for them, desirous as he was to give a sense of culture to the whole operation involving the PCI's inclusion to the responsibilities of power. In Via Liberta 135, in the same building where Mattarella lived and in front of which he was killed, the friends of Gruppo Politica had been meeting for 4 years.

With Mattarella, close collaborators of daily and intellectual labor used to come together, such as Salvatore Butera, Rino La Placa, Salvo La Malfa, and Felice Crosta: a kind of insular lega democratica of Achille Ardigò and Pietro Scoppola, the theoreticians of confrontation and of that which Aldo Moro called the Third Phase or the dialog with the PCI. It was Macaluso himself, through Michelangelo Russo, communist president of the Regional Assembly at Palazzo dei Normanni, who looked to Mattarella as the best of counterparts. Now, however, if the PCI were to join the committee, it would mean taking the historical step, arm in arm, with men such as Salvo Lima, whom the communists attacked ferociously in the past. And--Sicilian paradox--the two factions' convergence (bringing Mario D'Aquisto to the presidency) would be engineered by a communist like Pancrazio De Pasquale, who has been identified as an admirer of Pietro Ingrao, though not as squeamish when it comes to high level tactics without involving the masses.

The point is that looking forward to the regional elections next year, the communists feel the radicals breathing down their necks, for it is the radicals who have made greatest inroads at the expense of the communists in large Sicilian cities, getting extensive mileage from the use of protests. Almost certainly, the radicals will run and their aim is to acquire two

seats, one of which to be taken away from the PCI. On their part, the Christian Democrats have been careful because of possible damage on their right wing done at the hands of the MSI (Movimento Sociale Italiano) which now has reabsorbed the democratic-national split and can take advantage of the DC-PCI manifest marriage squabbles at the regional government level.

9209

CSO: 3104

## CAMPANIA CO-OP REGIONAL BOARD MEMBER COMMENTS ON UNEMPLOYMENT

Naples IL MATTINO in Italian 20 Dec 79 p 2

[Article by Raffaele Beato, member of the Regional Board of the League of Cooperatives: "Equals But Different"]

[Text] Against the backdrop of the economic and political crisis that is gripping the region of Campania, with endemic characteristics, the serious youth unemployment problem is again making its stark appearance.

With the passing of more than 2 years since the promulgation of the much-discussed Law 285 of 11 June 1977, labor unions, institutions and political parties appear to be in a position now to draw up a trial balance sheet of the results obtained and of the employment prospects for the 1980's.

A thorough revision of this law's complex actuating mechanism, and of the constraints on spending that govern it, is indeed called for. As far back as 1977 we pointed out that the massive afflux of youth to the "special lists," besides officializing and quantifying the grave problem of the unemployed, should be interpreted as an extreme willingness on the part of youth to test the "credibility" of the democratic institutions and that, as such, it represented a "test-bed" for the political class.

The 2 years of the law's application that have just ended have confirmed two expectations. The first of these to have been borne out is that Law 285 could not be considered an instrument for creating employment, but could only, at best, set up favorable conditions for it.

The second to have become a proven fact is that the Regional Board, the coordinating body for economically productive projects, has been unable to fulfill its primary function as a stimulating force acting upon all active components of the regional economy to achieve optimized application of the law.

The cruel reality of numbers supports these considerations. In the Campania region, out of almost 200,000 applicants on the placement lists, only 6,000 youths have, somehow, a preliminary job-related response.

The law's inherent limitations as a practical means of preparing the way stand out in sharp contrast with an alarming report by the SVIMEZ [Association for the Industrial Development of the South] wherein the forecast is made that "if the current economic downtrends are not somehow inverted upwards," unemployment--officially recognized unemployment, that is--in the South in 1980 will reach 900,000 persons. Considering Campania's sad primacy, amounting to 52 percent of the South's total unemployment, the bitter forecast places Campania's unemployment total in 1980 at close to 500,000 persons.

At this point, one can reasonably wonder what political entente, no matter how broad, can possibly stem the process of socioeconomic decline that is currently taking place in our region.

Adding to these facts, the law's failure is clear, insofar as concerns its intent to encourage increased productivity and full utilization of the country's economic resources, if one considers that approximately 80 percent of the preparatory training being carried out is for jobs in the township, regional and state-controlled public structure.

This raises a further issue concerning the impossibility of applying this law to a mass of potential workers that is highly diversified in terms of social status, economic situation and cultural levels.

The fact is that the lack of a "youth project" oriented toward industry, the handicrafts, agriculture and tertiary activities has put only the more "fortunate" ones in a position to qualify for jobs in the public sector, from which they will be very difficult to dislodge.

The bitterly disputed issue that arose at the start of this Fall involves not only the great masses of youths who have been kept waiting so long, but also the vanguard engaged in productive economic activities, let down by the law and burdened with the start-up costs of the activities they have undertaken.

One last example: Is it fair that the Regional Board and the CIPE [Interministerial Committee for Economic Planning] should, in confirming the deferment of implementation of the second phase of Law 285, apply the same criteria to the youths employed in the public enterprises as to those in the "Nuovo Mezzogiorno" [New South] regional cooperative who are engaged in agricultural and food-industry problem-solving and research throughout the regional territory?

How can one justify applying exactly the same administrative treatment to the case of those workers who are assured of their remuneration as to that of workers who, after having produced, find themselves unable to collect the pay to which they are entitled?

These questions must also be addressed compellingly in the proposed revision of Law 285--a law of resounding resonance and little substance.



## NEW BILL WOULD SPEED AID TO THE SOUTH

Naples IL MATTINO in Italian 20 Dec 79 p 4

[Article by Renato Caserta]

[Text] Rome--The procedure is to be speeded up for the granting of financial aid to new industrial enterprises in the South with initial investments of up to 2 billion lire. The government bill to this effect has been approved unanimously by the Senate Budget Committee, which gave it priority consideration in deliberative session. The bill provides in substance that the Bank for Southern Italy will be authorized to grant financial aid to these enterprises on simple approval by the Bank's board of directors, without the further procedural requirements that, in the current critical situation, are eroding the intended benefits of such aid.

This will result in an estimated elimination of 3-6 months delays in processing grants, which is significant, above all in that it will help reduce the deleterious effects of inflation on investments in enterprises which, though modest, are nevertheless--as Undersecretary Salerno has pointed out--very numerous in the South.

However, as the Undersecretary has stressed, the Minister of Development of the South still has control over financial interventions there.

Still, this measure must be viewed as temporary (as socialist Landolfi has said), in that there is broad consensus on the need for new legislation setting forth a new policy on investments in the South.

"In the ongoing politico-cultural debate on the Bank," DC [Christian Democratic Party] Senator D'Amelio said at the conclusion of the Committee's proceedings, "an awareness does not always emerge as to the need for special aid through the Bank, whose activity, despite some shortcomings, is still effective."

Communists Romeo and Calice have expressed reservations regarding the entire Bank policy.

The future of the Bank will be the subject of a full discussion in the Parliamentary Oversight Committee on Aid to the South on 8 January. Various different views have been expressed in response to Minister Di Giesi's statements in this committee regarding the results of Law 183.

In the opinion of Communist Fermariello, the Bank for the South has thus far proven itself incapable of advance planning, incapable, that is, of implementing Law 183. According to the PCI [Italian Communist Party] senator, the Oversight Committee on Aid to the South will have to work long and fast to lay down clear guidelines for the various sectors of the Bank's activities.

Christian Democrat Scardaccione has said that concrete initiatives must issue from the Committee, such as the introduction of bills for revitalizing the government's policy toward the South.

"It is inadmissible," says Scardaccione, "to speak--as does RINASCITA magazine--of abolishing the Bank, which is a working system."

Another Christian Democrat, the Honorable Grippo, adds that it is time for the Committee to express its opinion regarding legislative initiatives currently under examination by Parliament, such as the bill on the funding of the GEPI [Industrial Participations and Management Company]. The Honorable Perrone, also a Christian Democrat, has pointed out that a verification of overall results of the aid policy must include an analysis of the operation of such organizations as the EFIM [Manufacturing Industry Holding and Financial Company], the INSUD [New Initiatives for the South], the FINAM [Agricultural Financial Trust for the Mezzogiorno], the ISVEIMER [Institute for the Economic Development of Southern Italy], and the IRFIS [Regional Institute for the Financing of Industry in Sicily].

On the problem of depressed areas, and hence the South, a major dispute has erupted in the last few days, ensuing from a CIPE decision, that could jeopardize the implementation of the policy of aid to the South. In the Committee for the South, the issue was raised by Communist Boggio.

Yesterday, it was taken up by the committee chairman, the Honorable Compagna, who sided with the Committee of the Southern Regions, which had already expressed its opposition to the CIPE decision.

Compagna pointed out that the decision could lend itself to, among other things, "too broad a definition of the boundaries of the North Central depressed area and hence an extension of incentive aid to zones where industrialization is already moving ahead under its own power."

The decision is even less justified, the Republican member of Parliament maintains, if one considers the consolidated occupational levels in North Central Italy and the "neutralization" of incentives intended for the South that would result from competition for "incentives that are not properly such."

9399

CSO: 3104

## CRISIS IN SICILIAN REGIONAL GOVERNMENT ANALYZED

Palermo GIORNALE DI SICILIA in Italian 13 Dec 79 p 1

[Article by l.r.: "A 'Cold-Process' Decision"]

[Text] In Sicily, the Matarrella government, as the result of a decision distilled in the socialist regional committee's retorts, and on the strength of a yet to be tested proposal to change the political structure of the coalition, is virtually in crisis. To use an expression that is overly used, we are confronted by a crisis about which we are in the dark, especially as regards the cold process, the inordinate hastiness, and the critical decisional timings involved, which because of their interlacement with national political timetables elude the grasp of the local party leaderships.

The Sicilian socialists have taken unto themselves a grave responsibility at a time when the central government power vacuum warrants maximum functionality of the peripheral institutions, and at a time when the Assembly has before it all of 34 bills on the basis of which, rather than by unilateral decision, the degree of inactivity and of procrastination in the starting up of the program could have been judged.

But the news as such is not a total surprise. For days now, an air of rupture has pervaded the halls of the Palazzo dei Normanni. When a rift that cannot be healed separates the partners in a coalition, the air is cleared by proclaiming the fall of the coalition, provided, however, that the wielder of the falling axe has a clear conception of what is to follow. Is this true in the case in question?

The socialists raise two issues. The first concerns the government, in which the PSI [Italian Socialist Party] itself is represented by three councillors [Public Health, Tourism, and Trade and Cooperation], controlling altogether one-third of the regional expenditures budget. They accuse the government of procrastination and inactivity. They charge it with failure to implement the agreed program, although they credit its regional president with "political decisiveness and initiative" (Sicilian PSI Secretary Filippo Fiorino's report to the regional committee).

The second issue they raise concerns the coalition formula, which they say is weak in respect to the force of the problems before it, and proposes a PCI [Italian Communist Party] shift from the side of the opposition to the side of the government--a direct shift (as communist councillors in the Regional Council) or an indirect one (siding with the majority but without official participation in the government).

The tie-in between the two issues is blurred, if not obscure, in the socialist decision. The PSI knows that the PCI is not disposed to any form of "involvement" other than the presence of communist councillors on the Regional Council. It also knows, and acknowledges the fact, that the DC [Christian Democratic Party] will not be disposed (at least not before its next nationwide congress) to accept the presence of the PCI on the Council. Hence? The PSI responds by pleading with the PCI to be less intransigent and with the DC to be more receptive to openings. But in politics, entreaties are pointless, especially against positions that are predisposed toward radicalization.

It may be that new developments in Rome, that is, a fall of the Cossiga government before January and the formation of an emergency government, could create new openings in Sicily as well. But is it appropriate to bring down a government on such a precarious hypothesis as this? And above all, is it justifiable to create a void in government for the mere sake of stealing a march?

The Regional Government is about to embark on a difficult course, and this crisis, rather than cement, disrupts the already precarious relationship between the institutions and the citizenry, which, in the South more than elsewhere, is exposed to the buffets of ever more adverse economic developments, between a growing public deficit, galloping inflation and the energy gap. We say this not as alarmists. But we are alarmed.

9399

CSO: 3104



## NATURE OF CRISIS IN SICILIAN REGIONAL GOVERNMENT DETAILED

Palermo GIORNALE DI SICILIA in Italian 13 Dec 79 pp 1,20

[Article by Piero Fagone]

[Text] The Regional Government is on the verge of crisis: The socialists have decided to withdraw their three councilmen from the Regional Council, and at the conclusion of their regional meeting last night a delegation proceeded to the Palazzo d'Orleans to deliver to President Mattarella, as a due courtesy, the party's decision. The manner and timing of the start of the crisis have not yet been decided, but they will in any case be brief.

The socialists have indicated they intend to ensure the passage of the interim budget and with it certain provisions that they consider cannot be put off, as for example, the by-laws on pay scales applicable to regional public enterprise employees and to those of certain private enterprises in bankruptcy. If the PSI [Italian Socialist Party] formalizes this position by placing an official request on the regional president, the latter, based on established praxis, will have no difficulty in extending the life of the Council for the time strictly necessary. Should the PSI not do so, Mattarella has indicated that he will immediately invoke the consequences of the socialist document, the nature of which is absolutely interruptive of the governing coalition. The Regional Council has been convened for Friday. And the new socialist executive board has also been convened for Friday. It remains to be seen whether the PSI will ask the government to proceed in such a way as to extend the life of the current regional administration. But in addition to these problems there is a timeframe that cannot be extended: On 1 January, the public health reform law goes into effect throughout the nation. The Regional Government must be ready with its own organizational changes. The bill is already in the works for the creation and organization of the local public health units. There is already agreement on the territorial distribution of the units; however, not all of the knots have been untangled in regard to the election system and the administrative organizational structure. Will agreement be reached on meeting the requirements of this law before the start of the crisis? Or will the Regional Government be authorized by a special order of the Assembly to proceed on the basis of a decree?

But such an authorization could not be carried beyond the placement of the units already agreed, and would leave unresolved the organizational aspect, which is of an extremely political nature and which has already become a boulder in the relations between the parties.

These, however, are tomorrow's problems. Let us return to the decision of the socialist committee, which concluded its meeting with the election of its new statutory officials: its secretariat and its executive body. Vito Cusimano, 54, a native of Salemi, was elected secretary. An engineer by profession, Cusimano joined the PSI in 1946, was for many years the mayor of Buseto Palizzolo, and was a national deputy from 1968 to 1976. He was vice chairman of the Public Works Commission, and is currently a member of the PSI Central Committee.

Dr Luigi Granata, who has for the past several years been the party's regional secretary, was elected deputy secretary. The new executive board consists of Giovanni Palillo, Egidio Alagna, Ernesto Saluzzo, Gino Prudente and Angelo Ganazzoli. Cusimano, Palillo, Alagna, and Saluzzo belong to the majority, which is led by the Honorables Lauricella and Capria. Granata, Ganazzoli and Prudente belong to the minority, which is led by Gaspare Saladino, Anselmo Guarraci and Granata himself.

The meeting thus concluded was one of the regional committee's most troubled, reflecting internal tensions and a search for new internal balances along national lines. Its 3 working days were, for the most part, taken up by a debate among its groups, a debate that brought out strong differences and finally ended in a recomposition that is attested by the unanimous approval of the policy document and by the election of an executive board that largely embodies the minority.

Within the majority, a split developed initially between the wing led by the Honorable Lauricello and the one headed by the Honorable Capria, with which outgoing Secretary Filippo Fiorino, who had resigned in deference to internal norms regarding incompatibilities, had aligned himself.

The first-mentioned of these wings, cautiously and, above all, concerned over the foreseeable consequences of a long drawn out crisis and of a break in relations with the DC [Christian Democratic Party] in the midst of the latter's preoccupation with its congress, advocated delaying the crisis until after the DC congress. Lauricello was backed in this view by the Honorable Reina (who was confirmed as the party manager in Sicily) and by Councillors Pizzo and Placenti. The other wing, however, sought an immediate crisis, on the premise that the eve of the DC congress and the backdrop of the national political debate provided the perfect opportunity to play the Sicilian card, exploiting the autonomy demand being pressed by all parties. This would require "advancement" of the political lineup, a more sharply felt leftist presence, and an involvement of the PCI [Italian Communist Party] in the government.

The final document asserts that the current "impasse" in the battle of the South and in the Regional Government's achievement of autonomous powers can be overcome "through the decisive undertaking of an effective initiative to rally the efforts of all the autonomist forces around the objectives of economic recovery and social betterment of the Region."

Concluding that it appears necessary to again seek out opportunities for unified political action, the socialist committee, "reaffirming the aims of the policy of Sicilian unity, finds that the seriousness of the situation bars all prejudice, disinvolvement and delay" and that it rather "sets forth to everyone, above all to the left, the problem of the governance of the Region." However, in the view of the socialists, there is only one way open: advancement of the political lineup, with the participation of all the forces dedicated to the policy of Sicilian unity, inasmuch as, insofar as concerns the socialists, "a return to governing lineups that experience has shown to be outmoded, like the present one," is unthinkable.

These terms of reference constitute an affirmative response to PCI's request for a meeting between the two parties.

Initial reactions have already ensued. The group leader of the MSI-DN [Italian Social Movement-National Right Wing], the Honorable Cusimano, has issued a controversial statement affirming that the crisis has in fact existed for some time and that the PSI has simply officialized it as a power play. Cusimano finds that the crisis is being timed to interrupt current legislative action, and will therefore result in serious detriment to vast social categories and major economic sectors.

The MLS [Sicilian Liberation Movement] regional committee has proposed a regional-level meeting of all parties of the left "to minimize its divisive factors and maximize those of unity and understanding, in the interest of the Sicilian popular movement."

"Unity of the forces of the left"--according to the MLS--"must be based on two essential considerations: an awareness of the obstacle presented to all the left by the current gaping hole in the political lineup at the Regional as well as significant township and provincial; and an acceptance of the unitary need, as a first objective, to isolate the Sicilian DC and demolish its arrogance."

9399

CSO: 3104

## CDA FACING POWER STRUGGLE WITHIN RANKS

Amsterdam ELSEVIERS MAGAZINE in Dutch 15 Dec 79 pp 14-19

[Article by Rene de Bok: "The CDA's Two Consciences"]

[Text] Is the rebellion within the CDA against its parliamentary leader Lubbers leading to an intensified identity crisis? The 10 CDA delegates who voted for the Stemerding anti-nuclear weapons bill are balancing on the tightrope of a precarious political future: they are either creating an impassable power bloc on the left wing of the CDA or digging their own graves. In the recent nuclear arms debate, the 10 made a dissident fist against the CDA-VVD [Christian Democratic Appeal-People's Party for Freedom and Democracy] coalition. The scene in front of the rostrum got out of hand; even without a cabinet crisis the power struggle within the CDA is palpable--a power struggle between the two consciences of the CDA.

Ruud Lubbers, the stripped idol of the Christian Democratic front line, twisted himself into Houdini-like contortions to struggle out of the tormenting bonds of the 10 CDA dissenters. Lubbers characterized the 10's voting behavior in the nuclear arms debate in the Second Chamber as "an important political feat of arms," but saw no schism for the time being in Piet Steenkamp's bunch. And he went on to say, "If the cabinet comes back with less than the CDA 'starting points,' they won't find just 10 dissidents in their way, but the whole CDA parliamentary group." A vain attempt to bring the milling horde back into line. As the key figure in the internal row within the CDA, Lubbers feels himself forced into such conciliatory tactics. Lubbers was the man that was kept off Dries van Agt's team in the most recent cabinet formation. He was judged to be the right man to play the part of watchdog in the Second Chamber--to keep an eye on group chairman Aantjes and to parry Den Uyl's opposition strength elegantly and effectively. To the Antirevolutionary brethren within the CDA, Lubbers represented the heritage of a dark Roman past. He was the embodiment of manipulation, political dishonesty, and opportunism. And when he got talked about because of the combination of ministerial office and real estate activities, the wish was father to the AR [Antirevolutionary]

thought that Lubbers's political rôle had been played out. But Lubbers coolly remained in his seat. Aantjes was banned from the political battlefield because of his Waffen-SS\* past, and Lubbers was ready to take his place.

For the ARP [Antirevolutionary Party] the succession was a heavy blow, for it was Aantjes, an AR man, that had stooped to perfidy. The illusion still prevailed among the Antirevolutionaries that Lubbers would be no match for the dyed-in-the-wool opposition leader Den Uyl. But that hope soon faded. As Den Uyl increasingly lost the sharpness of his debating technique, Lubbers gained in quickness and quality. In the debates over the 1981 Plan it was not Den Uyl but Lubbers that drew attention to himself. He developed into a 17th minister of the Van Agt cabinet, into a second vice prime minister, who performed his function as a gadfly more credibly than the opposition leader, who made it all too clear that he had been relegated to that rôle very much against his will. The voting behavior of the 10 can be attributed in no small part to the aversion in AR circles to Lubbers's primacy in the CDA. It has caused further irritation that in recent months he has been mentioned more and more frequently as being marked down to become Dries van Agt's successor as CDA standard-bearer.

One handicap in the AR thinking about a "denominational patchwork" like the CDA is the unalterable conviction that it is the ARP that gives shape to the conscience of the CDA. Neither the CHU [Christian Historical Union (Reformed)] nor the KVP [Catholic People's Party] is entrusted with such a precious article. But to what extent is this conscience question a real thing?

In questions such as abortion, the URENCO affair, and the replacement of nuclear weapons, the steel conscience is hailed as an ethical panacea that the other parties have never had at their disposal. Last week anyone who had the insolence to accuse the 10 CDA dissidents of political motives in the nuclear arms debate was addressed in grave tones by the ARP members. Before a VARA [Workers' Radio Amateurs Association (Labor Party radio and TV network)] microphone, ARP member Borgman said that "this important matter stands out far above party political aspirations," an opinion that was shared next day by his colleague De Couprie, who showed just as much anger when the thought was suggested to him that the loyalists were primarily interested in a cabinet crisis and secondarily in opposing the nuclear arms race. Like Borgman, De Couprie found such a thought to be at odds with the great importance of the matter. But to some the ARP's conviction that it has a monopoly on conscience looks like a piece of unalloyed arrogance. For if the politics of conscience is being practiced by the ARP, is the remainder of the CDA inclined toward conscienceless politics? In the nuclear arms discussion any reference to party political gains was the object of bitter scorn in advance. Nevertheless, the CDA dissidents are by no means lacking in the party political incentive.

---

\*A paramilitary organization of the Nazi party.



The history of loyalism in the CDA furnishes ample evidence of that. Life was breathed into loyalism on 29 November 1977 by six ARP members and one KVP member who did not feel themselves bound by the coalition agreement between the CDA and the VVD. In fact, they declared themselves to be opposed to the denominational-liberal [CDA-VVD] coalition; they informed the cabinet that they would not lay it to rest without more ado, but that they would judge it critically by its deeds. While Aantjes was in power the eruptions of loyalism were very few in number. Now the old antagonisms are flaring up again. Among the 10 who voted for the Stemerding motion were 5 of the original loyalists: AR chairman Hans de Boer, Jan van Houwelingen, Willem de Kwaadsteniet, Jan Nico Scholten, all of the AR, and Steef Dijkman of the KVP. The loyalists Aantjes and Beumer (away at the European parliament) could not be present at the roll call. On the eve of the second anniversary of the Van Agt cabinet, the loyalists are interested not merely in the replacement of nuclear weapons but also in a review of the cabinet's entire policy. There is no doubt that the cabinet's policy comes off poorly in the view of the loyalists. Hans de Boer in particular has never made a secret of the fact that he considers the Van Agt cabinet a "weak bid of Dutch politics." A characteristic utterance: "If anyone asks me straight out whether I am satisfied with the cabinet's policy, I answer in the negative." The ARP members view the formation of the Van Agt cabinet more as a product sprung from the brains of the Nijmegen mafia (Van der Grinten, Van Agt, and Duynstee) than as a logical result of actual political relationships, which in their eyes a CDA-VVD coalition does not represent. In the empirical world of the loyalists, two issues from the early period of the Van Agt cabinet are vital: the neutron bomb question and, to an even greater extent, the URENCO affair. In both questions the loyalists raised their hackles because the government was clearly inclined toward the VVD position. Even before the debate over the introduction of the neutron bomb the CDA had already said 'no' to the new weapon once. The compromise that the Dutch government proposed came down to being ready to work in NATO for dealing with the neutron bomb in the MBFR discussions between East and West over the mutual reduction of the numbers of troops in Europe. The first irritations between the VVD and the CDA pointed toward impending disaster, particularly after Defense Minister Kruisinga made a fool of his colleague in the cabinet, Foreign Minister Van der Klaauw, with an unqualified anti-neutron-bomb statement. The VVD demanded Kruisinga's resignation. Van Agt was abroad again (on vacation in Morocco), but he kept in touch with the nervous home front by telephone. Van Agt profited handily off the beginner Van der Klaauw by playing the foreign minister off mercilessly against the whirlpool of defense. Kruisinga's fate was sealed. He went away and the neutron bomb affair was quietly mopped up in the coalition when at the eleventh hour America put production of the weapon on ice.

The URENCO affair had more serious effects on the loyalty of part of the CDA parliamentary group to the Van Agt cabinet. In June 1978 a number of VVD ministers were ready to risk a crisis over the matter of supplying enriched aluminum to Brazil. Van der Klaauw in particular was of the opinion that the government had obtained sufficient guarantees from its

partners in the UNC project, Britain and West Germany. With Van Aardenne, his minister of economic affairs, he considered staking the existence of his government on the question if loyalist Jan van Houwelingen's motion--not one kilogram to be shipped out of the country until Brazil signed the nonproliferation treaty--should pass in the Second Chamber. The dramatic night when the seven loyalists bent the knee for the sake of unity in the CDA and to save the cabinet has a traumatic effect on the loyalists' behavior. That time, too, it was Aantjes who closed ranks. The course of events in the URENCO debate is playing a part again today; the loyalists have solemnly sworn that they will not set aside their principles and their consciences a second time to preserve the blessed peace in the CDA or to preserve the cabinet. The worsening relations between the loyalists and the liberal [VVD] coalition partner play a decisive part there. Their displeasure with the VVD contribution to the government's policy has led to strong statements which bode little good for the cabinet's chances of survival; the cabinet is almost constantly accused of "a lack of conviction and inspiration."

Den Uyl played expertly on the feelings of discontent in the loyalist camp; when he voiced his criticism he almost spoke the loyalists' language. In his comments on one year of Van Agt, he said, "The cabinet has largely free-wheeling for the first year on the legacy of the previous cabinet. The distance from the previous cabinet is getting greater and greater. The braver ones, like Pais, frankly admit that they want to put a period to their predecessors' policies. In other sectors, such as CRM [the Ministry of Culture, Recreation, and Social Welfare] it is done with soft talk. Here and there the policy is simply dropped, as in Housing and Physical Planning and in Transport and Waterways."

Again and again Den Uyl succeeded in keeping the parties within the CDA divided in their support of government policy. And he constantly rubbed the loyalists' noses in the fact that as spiritual allies in progressive policy they were responsible for the "mismanagement" of Van Agt and his team. On the cabinet's "lack of fighting trim," Den Uyl said, "That all has to do with the character of the CDA. It talks endlessly to make us believe that it has a progressive influence on the VVD. And when it comes right down to it, it accepts the limits that Wiegel [VVD standard-bearer and vice prime minister] lays down." Den Uyl is still pursuing these tactics today as he threateningly predicts to the CDA that in the negotiations surrounding the modernization of nuclear weapons the cabinet "is going to the NATO council in Brussels with the CDA position and will come back with the VVD position." These are tactical maneuvers that are profitable again now, certainly when the element of conscience is involved again. When a hardened party politician like Den Uyl appeals to the conscience of members of the CDA parliamentary group, it can be assumed that experienced politicians can sniff out the opposition leader's motives. Den Uyl's intentions are clear; in the background lurks the threat to pass over the CDA in a later cabinet formation. On the basis of current voter preferences, which tend toward gains for the D'66 [Democrats of 1966] and the PvdA [Labor Party] and losses for the governing parties, Den Uyl can back up his threats

to a certain extent. He expresses himself reservedly about a future collaboration with the Christian Democrats. When asked by a TV interviewer, "Would you personally still be willing to collaborate with the CDA?" he answered, "'If there is no other possibility, naturally..." In resumption of the debate on modernization of the nuclear weapons the loyalists should realize that they cannot afford another URENCO set-to with Den Uyl. In that prospect Den Uyl demands strict party discipline. He makes one think that he also demands that discipline from CDA members of parliament. Even more thought-provoking is the fact that members of the CDA seem inclined to render that degree of obedience to opposition leader Den Uyl.

One year after the accession of the Van Agt cabinet, loyalism within the CDA seemed to be reduced to a powerless factor. Frustrated by the loss of face they had suffered in the URENCO affair, Aantjes and his crowd were reduced to a certain degree of sobriety in advertising their progressive course for the CDA. And as it became increasingly clear that the CDA had the upper hand in the governing coalition, the loyalists' critical notes addressed to their liberal coalition allies became increasingly less opportune. The VVD was pushed into a corner by the CDA; in the media it was even said that the CDA had put the cabinet "under trusteeship." On the occasion of the General Observations in the fall of 1978, the VVD cashed in chip after chip; the Liberals were spared no humiliation, in the fields of wage increases, the taxation of home-owners, the housing-law apartments; the VVD gave in everywhere. The trend toward a dominant CDA opposing a powerless VVD continued and increased in the second year of the Van Agt cabinet. Thus for a long time the wind was taken out of the loyalists' sails. With the rise of Lubbers as the superstar of the CDA, loyalism came back to life. Loyalism became a power in politics again when a new theme came up after the neutron bomb and the URENCO affair to which the loyalists could tie the Antirevolutionary exclusive right to display conscience. When the vote was taken on the Stemerding motion, the five original loyalists picked up another five Antirevolutionaries for their cause--five who were generally willing party-line voters and were seldom heard in Second Chamber debates. The 10 who cast their lot with the Labor motion have done a deed that appears irrevocable. Deviating from the line laid down by Den Uyl is practically impossible. And now--with the memory of the URENCO affair still fresh in memory--any possible retreat would be nothing more nor less than a humiliating defection.

Ruud Lubbers, the parliamentary group leader, now has the thankless task of getting this disorderly little bunch back into CDA harness. To the public, Lubbers is preaching the unity within the CDA "despite differences of opinion." Internally, resounding squabbles have already taken place that were so explosive that it was impossible to keep them secret behind closed doors. Lubbers must try to keep within acceptable bounds the loyalists' attempt to project themselves as a progressive force on the fringes of the nuclear arms debate, which has gotten out of hand. The other conscience of the CDA, which prompts the non-loyalist members of the parliamentary group to call for modernization of the nuclear weapons, is calling for a hardening of positions.

Gerard van Leijenhorst (CHU), vice chairman of the CDA, has raised a warning finger in the direction of the ARP: "The CDA must not become an ARP." Prof Van Hulst, the CHU member in the First Chamber, has pointed out that "the weakness of the Van Agt/Wiegel cabinet has from the beginning lain in too small a parliamentary base." In his view, that has led to a "minority dictatorship, in which a handful of CDA chamber members have been able to exercise a tyrannical power in the group." He remonstrated with the loyalists that in the event of a cabinet crisis, dire penalties would have to be paid. In that case, for instance, the sanction law (boycott of South Africa) would not be taken care of in the First Chamber. Although there has been almost no reaction from the KVP side to the loyalists' dissident voting behavior, Lubbers is having it hard enough already with the inimical attitude of the CHU. Scholten, the CHU defense minister, has received every support in principle from the CHU for carrying out his policy, which is directed toward accepting nuclear responsibility for the Netherlands as a quid pro quo for American involvement in the defense of Western Europe.

The crisis of authority in the CDA will make or break Lubbers. As a potential standard-bearer of the CDA he cannot live politically with the latent presence of rebellion in his own camp. Nor can he reach agreements with the coalition partners as long as his political strategy is continually obstructed by an uncertain opposite pole within his own parliamentary group. The rebellion of the loyalists is rather unattractive for the VVD as well. Against the background of the increasing lack of voter interest in the Liberal [i.e., VVD] product, the prospect of new elections is not appealing in the least, all the more since the VVD would be branded as "the drivers in the nuclear arms race" during the election campaign. Den Uyl can be safely relied upon for such a piece of demagoguery. Even though the minister of internal affairs [Wiegel, vice prime minister and standard-bearer of the VVD] consistently maintains the contrary, the majority of the VVD group in the Second Chamber is not very happy with the CDA as a coalition partner. The appearance of the loyalists has certainly not aroused an inclination of the VVD toward the Christian Democrats. But it remains a fact that an issue surrounded by as much emotion as the modernization of the nuclear weapons generates forms an unattractive occasion for saying farewell to the cabinet.

In the socialist camp it has been relatively quiet since the rebirth of loyalism. The 10 loyalists' stabbing Prime Minister Van Agt in the back, as embodied in the Stemerding motion, is a gesture of which an opposition leader like Den Uyl can only dream, but he is not allowing himself to be lured out of his tent. He knows the quality of Prime Minister Van Agt and Defense Minister Scholten in the field of negotiations too well to rule out in advance the possibility that the Dutch government will come back from the NATO conference in Brussels with an acceptable result. Den Uyl is keeping his powder dry until he is in possession of the bare facts. His strategy will be followed by the loyalists with more than common interest. For them, too, December is the month of truth. Will they throw more weight

into the scales than they have thus far? Will they be more ready to do anything besides act like members of a ban-the-bomb group? Den Uyl is counting on it that this time the loyalists will stick to their guns, and not just in the debate about modernizing the nuclear weapons. He played a prelude to that when he wrote in the Labor Party periodical ROOS IN DE VUIST: "The impasse in Dutch politics must be broken. The conflict over modernizing the nuclear weapons is one symptom of that impasse. It would be wrong to regard it as the core of it."

8815

CSO: 3105



## GOUDZWAARD'S BREAKING AWAY FROM CDA SCRUTINIZED

Amsterdam ELSEVIERS MAGAZINE in Dutch 19 Jan 80 pp 13-15

[Article by Rene de Bok: "Professor Dr B. Goudzwaard -- Ideologist and Skeptic"; passages enclosed in slantlines printed in italics]

[Text] In the lingering hate-love relationship between the CDA [Christian Democratic Appeal] and Professor Dr B. Goudzwaard the matter seems to be settled: the Christian democratic ideologist meanwhile has worded his approaching departure in a dramatic tone. Goudzwaard is getting out, "unless a miracle happens." A profile of a scientist who lost his way in politics.

The ways of the Christian democratic ideologist Professor Dr B. Goudzwaard are unfathomable. Since the time plans for forming a political power block on a Christian foundation acquired concrete shapes, Professor Goudzwaard has followed the endeavors in a troublesome manner. That in turn led to admiration, mollification, and to the extent Professor Goudzwaard's critical comments increased in strength and intensity, to irritation and abuse. The CDA member of the second chamber of anti-revolutionary origin, Mr G. C. van Dam, at the end of last year expressed in unambiguous terms the /great dissatisfaction/ which exists in CDA circles with Professor Goudzwaard's solo performance in national politics: "For the third time in 3 years you are asking our ARP [Antirevolutionary Party] the question whether the CDA should continue. The two previous times the party didn't even listen to you. I think (and hope) that it won't do that now either (. . .). What you are doing now is not helping to build up the CDA. At most it is helping /your/ CDA, but that is (not yet) the same thing. And you are destroying the AR party with it."

Professor Goudzwaard's decision to suspend his activities in the program committee of the CDA has led to a chain reaction which might even have speeded up the estrangement process. CDA Chairman Professor P. Steenkamp showed deep disappointment over Professor Goudzwaard's initiative; he called the latter's conclusions "too unfounded" and found the step to suspend work on the program committee too severe. Professor Goudzwaard has already announced his leaving the CDA in a dramatic tone. He believes

society to be at the mercy of the economy and arms technology. He criticizes last December's nuclear arms debate as "an escape from responsibility by the cabinet," followed closely by the CDA and VVD [People's Party for Freedom and Democracy] coalition partners. Professor Goudzwaard paints the CDA policy as a "goal policy" which takes away any room for a true constitutional policy. "I certainly have to break away from a CDA which continues to operate in the same manner. And I shall do that, unless a miracle happens."

In itself that embittered attitude is not too surprising. Goudzwaard's attitude has always been ambivalent; towards politics in general and towards the Christian democratic policy in particular. The Christian reformed ideologist has been wandering about in Christian politics for over 20 years already. Two years after he passed his Ph.D. exam in economy in Rotterdam in 1957, he joined the Dr A. Kuyper Foundation (the ARP scientific bureau) as an economic collaborator. Logical consequences of that were a post as scientific collaborator of the second chamber parliamentary group and membership in the AR parliamentary group in 1967. But shortly after the beginning of his parliamentary career he already gave free reign to his first doubts. He was not completely enthusiastic about the chamber work. He complained about "superficiality, small-scale thinking and a lack of long-term policy forming." After a few years of chamber experience his skepticism had hardly diminished, and his affection for political business was brittle: "I don't feel like someone who is completely absorbed in politics. My talking is sometimes too scientific, too much over people's heads. I would be extremely unhappy if I had to be a parliamentarian my whole life . . ."

Goudzwaard nevertheless turned out to be a not to be underestimated opponent of Minister of Finance Witteveen and his Secretary of State Grapperhaus; he brought Minister De Block of economic affairs to despair when a Goudzwaard-Nelissen motion in favor of a research board for mergers was adopted.

Ethician Goudzwaard had plenty of criticism of the laissez-faire capitalist system. His fight against the capitalist philosophy of progress is a red thread in Professor Goudzwaard's economic thinking. In May 1972 he said: "The Western countries will have to reconvert as soon as possible to an immobile, stationary economy." He saw the change-over taking place as a period of transition which would require 2 to 3 years, in which the production and consumption primarily of articles which affect the environment and require an excess of raw materials and energy had to be curbed. He mentioned the manufacturing of cars as an example. He saw solutions in a perspective of a system of prices and taxes constructed by the government. The idea of an environment tax fitted in with the philosophy he had presented in 1970 in his essay: "Scarcity Without a Price"; clean water and fresh air were to be included in economics as scarce articles. In those days that was already an accepted idea in economics; for politics it was a novelty parliament could hardly manage.

Professor Goudzwaard pleaded for "a policy which witnesses restrained anger over the manner in which we manage nature -- the creation of our Lord --, namely like people who kick the paint off the doors of someone else's house." And he urged the Christian politicians to "discover true humanity; not that of the standardized fashion-examples of the success type in advertisements, but the humanity of the hungry, the unwanted, the lonely, the sick and of those who feel despondent in the molded, pre-fabricated pattern of living of this period." All this against a religious background: "In the face of the challenges awaiting us, I don't see how we can make out without a deep belief in our living Lord."

These are testimonies which at first sight run parallel with the renowned ethical awakening which Prime Minister Van Agt launched in his fanciful days, but that is an optical illusion. Van Agt primarily had an eye for moral decay and for a recovery of old values and standards, while Professor Goudzwaard discovered the social benefit in new inspirations, in a moral economy. In his book "Capitalism and Progress," published in 1976, he pictures capitalist society as a tunnel society in which everyone is tearing to find the exit toward the earthly paradise, without this happiness ever being attained. That is the schism between Van Agt and Goudzwaard. For the rest there are surprising similarities: both of them are somewhat hesitant in politics. They experience politics with a despondent spirit, with an oppressed heart; but to leave politics is even more difficult for the oppressed. There is also a similarity in the use of language.

During the past years Professor Goudzwaard has often called himself a "conditional supporter of the CDA." Within the CDA he often looked like a "conditional opponent." In December 1973: "I have never considered the existence of a Christian party a necessity in itself. If such a party does not prove itself in time, its continuation must be questioned, otherwise it will become a discredit to the gospel."

He was also of the opinion that the CDA should not be guilty of political ambiguity. He feared for the CDA's future prospect as a middle-of-the-road party aimed at electoral success. "Those requirements are even more valid and inexorable to the extent the future will demand more of us. Christian democracy is wasting away in many respects in Europe: corruption (Italy), office seeking (Strauss in the FRG) are the order of the day."

He watched the Catholic partners in Christian democratic politics with a certain amount of suspicion, representative of part of the ARP. He once described the old KVP [Catholic People's Party] as a consequence of the Jesuit moral "in which the end justifies the means (. . .). In the Catholic thinking, I sometimes miss the stress of: Here I am, I cannot do otherwise."

In the KVP members in the CDA Professor Goudzwaard finds missing the appeal to conscience which was made in the nuclear arms debate of last

December by dissident anti-revolutionaries. He finds the supremacy of the KVP in key positions in the CDA unhealthy; he regretted seeing Aantjes leave active politics. He does not have any personal resentment against either Van Agt or Aantjes' successor Lubbers; he does however think that they represent a political philosophy which is not his own, that they have embarked upon a way of thinking which Professor Goudzwaard did not indicate in his ideological manifest "Not By Bread Alone."

It has been suggested several times that Goudzwaard's political thinking is more in line with socialist- than with Christian democratic policy. Professor Goudzwaard has an unmistakable sympathy for socialist pet topics. He made no secret of his socialist preference both during the last and the next to last cabinet formations. In January 1973 he commented on that: "I reject socialism, but I am simultaneously convinced that, for the sake of our mission in the world (environment, developing countries), political cooperation between the confessional parties and the leftist three now is preferable to cooperating with the party of Mr Wiegel [VVD] -- which appeals too much to egoism.

Professor Goudzwaard's word has carried authority ever since his appearance in the field of political forces. But it looks very much as if this authority is weakening now that Professor Goudzwaard appears to have directed his strategy at a dismantling of the CDA. Within the CDA, irritation over his "disloyal attitude" is increasing. Professor Goudzwaard is also running the risk that his advice on the economic level will be taken less seriously. For many years cultural pessimist Goudzwaard has raised a warning finger against the collapse of the laissez-faire capitalist society. With his reproaching finger he exhorted society with a number of improvements: curbing of expenditures, price measures, tax increases which could not be compensated in wages; he called inflation "the fever of a society possessed by possessions." "The unwillingness of the consumer to fight the pollution of the environment" he called "partly the cause of the current inflation."

Only he forgot that prophets of doom also dig their own graves. While in times of malaise humanity impatiently awaits the coming of the prophet who presents an illusion, a dream, or just a new dawn, Professor Goudzwaard was strict to his fellow human being: he pictured the slowing down of growth as a necessary "cure of society." Because of his melancholy view of the future, Professor Goudzwaard was labeled a prophet of doom whom one would prefer to see leaving rather than coming; and within the CDA his somber tidings on Christian democratic politics only produced the effect that the Goudzwaard oracle lost value. The fact that he appealed to his political associates up to three times simply to forget the CDA's unification for the time being, resulted in few friends and an interminable procession of enemies for him. In April 1976 resentment arose within the KVP and CHU [Christian Historical Union] after Professor Goudzwaard called a joint list unacceptable in the light of the political situation. CDA Chairman Steenkamp, who is "not amused" by any delay of the CDA caravan whatsoever,



characterized Goudzwaard's attitude as a "heavy warning shot," probably because Goudzwaard shortly before had supported an administrative proposal at the AR party council to agree conditionally to a joint CDA list. Professor Goudzwaard proves to be a perpetual skeptic.

In February last year he surprised the CDA with "unasked for advice" in which he and some political associates brought up new objections to the merger plans. Professor Goudzwaard turned out to be disappointed with the CDA contribution to the Van Agt cabinet. Aantjes' departure from politics had caused him pangs of conscience again. He saw the succession of Aantjes by Lubbers as a disqualification of the Aantjes policy.

Professor Goudzwaard's farewell from the CDA will be of a lengthy nature. He realized that he was not alone in his reservations against the daily practice of the Christian democratic policy. The dissident AR members of the second chamber, led by the Vice Chairman of the CDA Parliamentary Group Hans de Boer, have always stayed with the Goudzwaard line of thinking. That realization tempted Professor Goudzwaard last October into a little political game which resulted in mere fluff. He warned the CDA that it would become difficult to pass over Van Agt as CDA primary candidate in 1981 if the cabinet were to finish its term without interference. On that occasion he made it known that "he was seriously considering entering politics again, especially because many of my old AR friends have disappeared. And that is very precarious for the CDA character." He did not exclude the possibility that he might make himself available in the future as the primary candidate, or even as prime minister. The nuclear arms debate was coming up and Professor Goudzwaard attuned his political rating to it. When the expected cabinet crisis did not materialize, Goudzwaard's /poker game/ came to an end.

The honest nature of his aversion to modernization of nuclear armament is beyond doubt. He considers it to be a dangerous element in the arms race between East and West. And when Minister of Foreign Affairs Van der Klaauw announces measures against the USSR in connection with the Afghanistan matter, and does it in a tone which creates the impression that it is but a matter of days before Dutch troops invade the Soviet Union, Professor Goudzwaard's heart almost skips a beat from exasperation. Nevertheless, the aspect of personal ambition cannot be completely excluded from his position. In the nuclear arms debate he saw an opportunity to turn the tide to the benefit of the ARP. The inglorious retreat of the dissidents also sounded his own retreat: he has since abandoned a possible candidacy for a CDA chamber membership.

If Goudzwaard wants to continue to be part of the political game, then a Goudzwaard list appears to be his only alternative. Such an initiative would mean a chism in the CDA. It does not seem likely for the time being that the scorned ideologist will convert to the Christian democratic merger again. Goudzwaard has outlined the differences; he will break away "unless a miracle happens." Miracles don't happen on call. However, nothing is impossible in Christian democratic politics. For the ways of Professor Goudzwaard are not the only ones which are unfathomable.



## BEYEN EMPHASIZES NEED FOR MORE AGGRESSIVE EXPORT BUSINESS

Amsterdam ELSEVIERS WEEKBLAD in Dutch 5 Jan 80 pp 30-31

[Interview with Secretary of State (for Economic Affairs/Export Promotion) Karel Beyen by Johan van den Bossche and Nico van Grieken: "In Essence One Should Simply Continue To Work"; (late 1979) place not given]

[Text] Two years ago. Dutch industry was jubilant. The swiftly constructed Van Agt cabinet had made a decision which inspired confidence in industrial circles and had decided to appoint a secretary of state for export promotion. Mr K. H. Beyen (56), prominent banker and son of the former Minister of Foreign Affairs Beyen in the Drees-II cabinet, became the lucky minister. In his father's time -- in the fifties -- the economy was somewhat more prosperous than now. Partly due to a guided wage policy, the Netherlands had a well-molded export position. As is known, little is left of it. Ample surpluses on the balance of trade and the balance of payments shrank to appalling deficits; in short, something had to be done about it. On 9 January 1978 Mr Beyen was given the task of picking up the thread again. And shortly before entering the eighties, EW [ELSEVIERS WEEKBLAD] had a discussion with the licensed export promoter. A revealing interview. "We must simply continue to work," is the advice of the state secretary of economic affairs. Conclusion: the Netherlands has hardly recovered from its injured export position. And the coming years won't be any better. In the near future there are prospects of a disappointing world trade, a balance of payments deficit of 1 to 2 billion guilders, export possibilities which will suffer additionally in 1980 according to the Central Planning Bureau, Minister of Finance Andriessen and Minister of Economic Affairs Dr Van Aardenne, and a relative worsening of the Dutch competitive position as a result of newly increasing wage costs. Nevertheless, Secretary of State Beyen

is taking action in the matter. Presently the minister is in Mexico, drilling for export sources and markets. Meanwhile the Dutch competitive position in the FRG is shriveling up. An interview.

EW: You now have been secretary of state for export for 2 years. Are you happy with it?

Beyen: Yes, it is very interesting work. Moreover, a certain improvement has occurred in the export position of the Netherlands during that period. That is nice to find out, although it is difficult to say to what extent that was a result of my work. It is clear, however, that my presence here has contributed to increased confidence on the part of Dutch industry. Companies see more perspective because they know they are supported by the government.

[EW] How do you do that? In our previous discussion you said that the decrease of export was a result of too high a price.

Beyen: No, not price only, although the Dutch product is expensive. Well, the goal of Specifications '81 is to curb further cost increases. And that has indeed had some result.

[EW] Yes? Then how?

Beyen: In our neighboring countries the price increases have been greater than here, with the exception of the FRG. That has influenced the relative improvement of our competitive position. Just take inflation, for example.

[EW] We owe that low inflation to Specifications '81?

Beyen: Not exclusively. Also to the policy of the Dutch Bank, of course.

[EW] That's what we thought also, for Specifications '81 has not been carried out on that point.

Beyen: Well, I don't really believe that there is a direct connection between the percentage of inflation and Specifications '81. But if Specifications had not existed, the increase in government expenditures would have continued and the competitive position would have deteriorated further.

The main cause of our improved export position is the improvement in international demand. Take the FRG. There the economy has experienced a strong expansion and the FRG certainly is our most important trade partner. Thus we profited by that.

[EW] Apparently we are profiting by that with a decreasing share in the market.

Beyen: That is true. But we still have profited by the strong recovery in the FRG. Only, it was too little. Other countries benefitted more than we did.

[Question] Then what's the reason?

Beyen: Perhaps they developed more activities and supplied good products. Those are two areas where our "performance" in the FRG leaves something to be desired. Southern Germany, for example, has grown enormously as an industrial area in the last 15 years and we have relatively neglected that area. We are going to do something about it. But competition is particularly strong there. Take the French automobile industry and the small French motorcycles for example; they did see an opportunity in the past 15 years to develop tremendously. That is noticeable in the FRG also; you see a great number of French cars there right now. The French have managed, for example, to push the entire Dutch moped industry into a corner. They make a good and very competitive product over there.

At the Top

Then, did we use to export a lot of mopeds to the FRG?

Beyen: I did not think that it was an important product to us. But I mention it as an example of an industry which 15 years ago did not mean anything in a certain country and now is at the top.

[EW] Then what's the reason?

Beyen: Because they are extremely good industrialists, who have made a good product. But in some areas we also are very strong. Our chemical industry is still doing very well, in spite of very great competition.

[EW] But our share in the market in the FRG is nevertheless decreasing.

Beyen: That's what I said. Our export to the FRG has not decreased, but other countries have shown a stronger increase in their export to the FRG.

[EW] Has the Netherlands sufficiently reacted to the situation that we are losing ground in the FRG?

Beyen: If the conclusion is reached that a less favorable development is occurring, then one has to try to take action. And that's what we are doing. Only, it never takes effect immediately. Therefore one cannot say that the situation was insufficiently addressed; what is clear is that it is not so easy to react to it.

[EW] What action then?

Beyen: Giving great attention to the southern German market. Traveling of companies, for example, and now with that Telea course another group of people is going there.

[EW] One thing we don't understand. Just now you stated that the increase of labor costs in the Netherlands is lower than elsewhere, but we still see the other countries export more to the FRG.

Beyen: That is not a contradiction. Price is not the determining factor for outstanding products. Take the BMW for example. It is more expensive than many other makes of cars, but there is still a waiting list of 6 months. Thus it is not only price that is important, but also the progressiveness of the product. Because that entails more the elements of intellect. And that element is less sensitive to price.

[EW] Thus the Netherlands is behind in the intellectual area?

Beyen: I would not want to say that, because we too make very outstanding products in a number of areas.

[EW] But not enough to take care of our export decrease?

Beyen: Indeed. In certain areas we are not as advanced as the French, for example, who see their export to the FRG increasing in greater volume.

[EW] That is serious.

Beyen: But it's nothing new. We have known that for a long time. For that matter, we're not doing so badly. Our export growth in the past years has always been higher than the growth of world trade.

Veiled

[EW] A brilliant answer. But how much natural gas was there in that Dutch growth?

Beyen: That share is rather high, of course, because there was a considerable price increase. If that had not been the case, the situation would have been much more serious. But naturally the increase of export is indeed somewhat veiled by the increased export price of natural gas and the stockpiling of the chemical industry. And because prices are expected to increase even more, we expect more stockpiling. Thus, one should not rejoice. No, we are really very concerned about 1980.

[EW] Thus the picture has been distorted by those two facts?

Beyen: Yes, they are two elements which have been favorable for us.

[EW] Thus the situation has actually worsened.

Beyen: Well, that would have to be determined from the balance. My judgment is that the improvement of export has been more general than only natural gas and stockpiling. The contribution of natural gas in the total export position (net, that is to say) is around 8 billion guilders. Thus, that is considerable. One of my great worries is indeed that this contribution is going to decrease during the eighties. Because we are going to export less natural gas then and import more energy.

[EW] How great was the increase of the natural gas share in 1979?

Beyen: I don't know. What I do know is that the price increase of natural gas always lags behind that of oil. In the second half of this year a deterioration of the rate of exchange arose again. Thus things don't look as favorable for 1979 as we thought 6 months ago. But if the export of natural gas is going to decrease on the long term, we will have to increase export of other goods. We can only do that if we control cost increases. If we are able to sustain the curbing of cost increases for 2 more years, our competitive position will look a lot better.

[EW] If we take natural gas and stockpiling, what percentage do they form of the export increase?

Beyen: I don't know.

[EW] Just guess.

Beyen: I wouldn't be able to tell you.

[EW] Not approximately?

Beyen: No.

Recovery

[EW] But when you say that export has increased in volume by 9 percent, you don't know in fact what the reason is for that?

Beyen: Yes, we do know.

[EW] Then, go ahead and tell.

Beyen: When I say that the chemical industry is doing well, then that is not only because of stockpiling. It is primarily due to the recovery of the German economy. But also of course due to some stockpiling; but no one can say how much that is.



[Interviewers' comment] The secretary of state once again refers to the too-high costs of labor which, together with a low inflation percentage and good control of prices could improve the competitive position of the Netherlands. He states that labor costs in the Netherlands are on the average 35 percent higher than in the neighboring countries.

[EW] You already mentioned that percentage last year also. Hasn't it been brought down then? As a result of Specifications, as you explained a little while ago?

Beyen: I don't know if that percentage has improved this year; however, it is the latest figure I know.

[EW] Then we may assume that it is a figure from last year.

Beyen: It is a figure we have used until the middle of this year. Thus it probably is a figure of an earlier date.

[EW] Then you don't know either if the curbing of labor costs has helped.

Beyen: I don't know that, but I believe it, in any event. Therefore we must maintain cost control longer.

[EW] That's an enormous percentage, isn't it, that 35 percent?

Beyen: Yes, but it is only one aspect. It is a matter of wages and social burdens.

[EW] Oh, but then how do they work on the price difference with other countries?

Beyen: I don't know if we have an average for that. Anyway, I find an average irrelevant in that respect.

[EW] We are truly surprised. You have an opinion on the high level of wages and social burdens, but you do not know how they work on the prices. But then you do know that wages and social burdens have to decrease in order to be able to attract export.

Beyen: That is not so surprising. I only mean to say that an average price of all Dutch products is not a meaningful comparison. In some areas, agriculture for example, we are very competitive. In shipbuilding we are not. Surely you can't mix up those things. One has to look separately at every product. And then try to strengthen the strong points and finish off the weak ones.

[EW] We understand you. Only your remark on that 35 percent no longer applies to anything, since you don't know to what degree. Thus your remark doesn't mean anything because even labor productivity isn't included in it. And that was high.

Beyen: But in the total costs of the product it plays indeed a big role. That element weighs very heavily.

[EW] And the profit margins?

Beyen: Naturally they have also decreased. Better to have less profit than a loss of sales. Therefore the Netherlands should benefit from an even greater specialization. An even better product.

[EW] In short, the profit margins are narrowing, wage costs are too high, so what about that confidence Dutch enterprisers have in the cabinet. Question: where is the export policy?

Beyen: The confidence is in a certain improvement of the climate. In the feeling of having support. And the international market will become more difficult. Certainly now that economic growth is decreasing because of the increase of oil prices. International competition will increase. But still, from my multiple contacts with Dutch industry I do not get the feeling that industry sees the future as completely black. It is truly not the case that everyone at this moment is feeling down in the dumps.

[EW] But how are you improving the climate?

Beyen: I try to give industry the feeling that we do what we can to support it. By giving information and helping out financially.

Not Bad

[EW] Now that we have had a secretary of state for export for 2 years, nothing has essentially changed. Also, export is still aiming at the European market for 80 percent.

Beyen: Seventy percent. And that's where we got the growth in the last 3 years. We really don't say: get rid of that market. Europe is not at all bad for our export.

[EW] And thus our attention has to be concentrated on it.

Beyen: No, you have to follow the market. The German market, for example, should not be neglected, but one should certainly also look at Mexico and Southeast Asia. At the areas outside of Europe, where we can achieve a stronger growth. That is the other 30 percent

[EW] Then that's what we would want?

Beyen: I don't understand you. Then should we export less to the FRG?

[EW] No, but perhaps you should aim at that more strongly, in view of the German market development.

Beyen: It is extremely difficult, as the biggest supplier of a certain country, to get an additional share of the market. If you were to take Canada, where 0.8 percent of our export goes, I'd say: In such a rich and dynamic country we ought to be able to turn that 1 percent into 2 or 3 percent. And then you should not say that that is at the expense of the export to the FRG.

[EW] But, once again, export to the FRG is deteriorating. Apparently the Netherlands doesn't know that market well enough yet.

Beyen: But we are in the process of improving it. And besides that, you have to strengthen other markets too.

[EW] Are we being too gloomy to expect that if the oil price continues to increase in 1980, export will increase only in money?

Beyen: No, because it is a matter of the volume of export. If it becomes only an increase in value, and not an increase in volume, then indeed we won't have achieved anything. However, no one knows what will happen to the oil price this year. It is a very negative element in world trade. Another element, however, is that it looks as if the United States will achieve a balanced situation perhaps this year already, and that the surpluses of the FRG are disappearing.

[EW] In the balance of trade, or -payments?

Beyen: Balance of payments. But, let's say the balance of trade. The Americans are now really starting to benefit from their lower dollar. And with the disappearing of the German surpluses we are getting a better balance in the world with probably a better exchange development. That is favorable, but how it will affect our export figures remains to be seen.

[EW] It won't necessarily be so favorable.

Beyen: The decrease of American export in itself is of course not favorable; however, the United States is not our biggest export partner.

[EW] And subsequently we won't assume either that the FRG is after a balance of trade deficit. Thus that surplus is decreasing. And that also has consequences for our export.

Beyen: I didn't think so.

[EW] Not if they bring their balance of trade into equilibrium?

Beyen: Of course there are many uncertain elements this year. It's always that way. Every prediction has always been wrong. In essence, you simply have to continue to work.

[EW] That's a cute remark from a secretary of state who has to promote export.

Beyen: It's a fact, isn't it? It's just like the weather.

[EW] Thus like the KNMI [Royal Dutch Meteorological Institute]?

Beyen: I'm only trying to say that, if you control costs as much as possible, and improve your product as much as possible, all those efforts together will have a favorable effect. How favorable, I don't know. But certainly favorable.

[EW] On the understanding that you don't really control anything. Innovation comes under Minister [of Science Policy] Van Trier and wage costs under the department of social affairs.

Beyen: I am only a part of the Dutch government. If I had to do it all by myself, nothing would come of it, in any event. As minister of social affairs, I would not have had to be concerned with export. Just be happy that I am doing export.

[EW] As secretary of state, yes. You can hardly speak on the same level as others in the cabinet. On wage negotiations, for example, which are of the greatest importance to the export price.

Beyen: Indeed, I have nothing to do with wage discussions.

[EW] That is just so tragic for you.

Beyen: Why? My only responsibility is that the competitive position of the Netherlands doesn't deteriorate. For then export will deteriorate, and thus employment opportunity.

[EW] And you can't do anything about that.

Beyen: And who can? Isn't it a matter of negotiations between employers and employees? Now then. I can only say that I hope that they will come to an agreement with each other. And I really believe that Mr Kok is very convinced of the necessity to preserve our competitive position.

[EW] If everyone is so impressed with the importance of export, then why no minister?

Beyen: I said in the second chamber that I thought a minister of foreign trade would function better than a secretary of state because from an international point of view this sort of work is almost always done by someone with the rank of minister. And I thought that it would be sensible for us to have a minister of foreign trade.

[EW] Another matter: natural gas proceeds are decreasing this decade. Is the policy really aimed at letting that decrease run parallel with the improvement of export of substitute products?

Beyen: It is difficult to put that into figures. But indeed, if natural gas is removed from export, our position is a lot worse. We must take care that about the time natural gas decreases, the competitive position has improved in other areas. I cannot say whether that will run precisely parallel. The most essential point in the entire picture is how world trade will develop and we know too little about that over a period of 5 to 6 years.

[EW] In short, natural gas has been rather harmful to our export position.

Beyen: Natural gas has indeed been disadvantageous for our economic position.

[EW] Then it is sad that at this moment there isn't a single prospect for an improved export position in 1985.

Beyen: We have to strive for that.

8700  
CS0: 3105



## POWER PLANTS FACE SHORTAGE OF FUEL OIL

Amsterdam ELSEVIERS MAGAZINE in Dutch 12 Jan 80 pp 12-13

[Article by W. G. J. Bavelaar]

[Text] The power plants which supply our industries and households with electricity say that they are having difficulties. For 1980, they are facing an enormous shortage of suitable fuel oil. They cannot get it delivered. Our own natural gas will have to save us, but we had wanted to keep that for a rainy day.

The first cry of distress came from Zeeland. At an anniversary celebration of the company, the Provincial Energy Company of Zeeland (PZEM), its director, M. D. Dalebout, warned of a big shortage of fuel oil which many companies will have to struggle with. For the generation of electricity, a large number of power plants will, this year, need nearly 7 million tons of fuel oil. They more or less have contracted for the supply of 3.5 million tons only. The rest will still have to come in one way or the other, but the chance of success is small, they want us to believe. The problems will be most serious for the plants which, according to plans, will still have to switch from the pure Dutch natural gas to oil. Consequently, still larger quantities of oil are needed than last year. But the oil companies have stated that they can only keep the supplies at the level of 1979.

The most recent worries have, in the meantime, become the subject of discussions at a high level. In order to keep the lamps burning also in the early eighties, solutions are being sought fervently. The Ministry of Economic Affairs has thus been asked to start talks with the oil companies to induce them to do something about the prices of their supplies to the power companies. This will not offer much relief anymore considering the recent price developments in the club of oil exporting countries (OPEC).

Within the Cooperating Power Plants (SEP), a number of possibilities how to avert the new threats are being studied at the moment. Where no oil becomes available, natural gas will again have to be burnt. A fundamental

decision taken a few years ago, consequently, will be drastically departed from. For the Netherlands had decided to preserve the still existing gas reserves for later domestic usage (primarily for heating purposes) and as a profitable export article. If it does not become possible to secure sufficient oil quantities, approximately 4 billion cubic meters of natural gas will be burnt up next year in the power plants (double the quantity of this year). A great disappointment. "We then shall be burning up the gas which we shall be needing in 1990 or 2000," says M. D. Dalebout.

Could this emergency measure not be avoided? "No," says the spokesman for SEP, P. J. B. Wasser, very firmly. "There has been a tumultuous development in oil prices. In addition, our power plants cannot store any large-scale quantities for the very reason that they have not got the necessary capacity for that, but also and especially because oil companies no longer make long-term deliveries. In view of the huge price increases, that would not be sensible of them either."

The prices of oil to the power plants have risen in 12 months from 200 guilder to 300 guilder per ton. The power plants can pass on their fuel prices to the consumers.

The power plants had hoped that the share of oil in the fuel supplies of power plants would, in 1980, be 50 percent, that of gas 33 percent, that of coal 10 percent, and that of uranium 7 percent. In this way, there would have been a rather balanced distribution among the various types of fuel used. But it looks as if the ratio of gas/oil will become entirely different. Because nuclear energy will be used only in the long term, the use of coal, the energy source for the time being and of the near future, will in 1980 still fall short of estimates because the important coal-burning plant at Geertruidenberg has not become ready in time. The construction has encountered considerable delays as a result of the endless procedures in our country.

In particular the plants at the mouth of the Rhine and at Groningen require much oil. Because of environmental considerations, many power plants have, in the meantime, been obliged to use oil of a low sulphur content. This very type of oil is difficult to get, and it, therefore, is expensive, about 20 to 25 guilder more per ton than the maximum price of ordinary fuel oil.

According to a Shell spokesman, the stories that there is enough oil, that the oil tanks are full to the brim, do not apply to deliveries to power plants. "The sulphur content had to be reduced from 2.5 to 2 percent. There just is not enough of this oil. Under adverse weather conditions, some power plants even have to burn oil of a sulphur content of 1 percent." Shell, furthermore, explains that, for 1980, there would, moreover, be a need for more of this scarcely available oil due to the rather rapid transition from gas to oil. In addition, the refineries have long ago started cutting back their supplies of heavy fuel oil. There is a tendency at present to keep this oil longer in storage in order to make lighter products of higher quality from it.

The SEP [Cooperating Power Plants] reject the suggestion, which was made at a certain point, of using fuel oil of a high sulphur content as a temporary emergency measure. "That we cannot do. In new plants one can think of desulphurization during or after the burning, but we cannot escape the existing environmental requirements."

Oil of a low sulphur content is less prevalent in nature. That is why there has already, for a long time, been talk of desulphurizing ordinary fuel oil in plants, but, despite all the nice words, things have not at all come to that yet. This year, the so-called Sulphur-Dioxide Strategy Plan would have to be completed. It shows, in outline, how the government plans to limit the escape of sulphur into the atmosphere up to the year 2000. A ceiling, though disputed, of 500,000 tons of sulphur per year has been fixed. Since our country has decided to switch from gas to oil and coal, fuels with a much higher sulphur content than gas, the government wants to obligate the users to reduce the sulphur content. Four desulphurization plants would have to be built. Cost, approximately 1 billion guilder. Extremely optimistically, it was predicted that great employment opportunities would be created in connection with the production of the desulphurization equipment. So far it has not got beyond the stage of speculation on paper.

How to proceed further is least of all clear. The government clearly has great difficulty with its energy planning. The Energy Note has finally been published, with considerable delay. The note was of little consequence since they still had to wait for two important parts of it, the Coal and Electricity Notes. The publication of these notes keeps being postponed. And how this country will proceed further in the field of nuclear energy is still in the air. The broad discussion in the society on (nuclear) energy, moreover, has been postponed anew. They cannot even agree on the type of discussion. "We no longer expect any broad discussion in the society," it is already being said in SEP circles. In their planning, the SEP keep into account the still very long absence, till far into the eighties, of any further application of nuclear energy. The discussion in the society has, in fact, already taken place.

The energy policy has degenerated into a strategy of the day. What still had some appearance of strategy has, in the meantime, become exposed through the hard facts. The action to save energy, one of the alternatives, clearly is a lost cause. "The electricity consumption of the industries has increased, on an average by 1 to 2 percent. A rather modest increase, which, by the way, was not inspired to help the Van Agt government in its efforts to save energy, but which became possible only because the industries, owing to the sharply increased costs of their energy consumption, had to be more prudent in their use of energy. In the past year, Dutch households seem to have been ignoring actions to save energy. This year the Dutch consumers used 5 to 6 percent more energy. Price increases imposed in the meantime and occasionally of 15 to 20 percent, have had no deterrent effect. For 1980 new price increases of at least 10 percent are to be expected. The consumption, moreover, will increase; during the next years, it has been estimated, by an average of 3.5 percent. This will, primarily, be a consequence of the increase in the number of households. Many more young

people start living on their own at an earlier stage in their lives. It has been estimated that the number of households in 1981/82 will have increased from 4.32 million in 1976 to 4.62 million, and, in 1986/87, to 4.91 million. All these families make use of their own electrical equipment, which, it is true, will become somewhat more economical in use, but, nevertheless, will cause a sharp increase in the energy consumption by about 50 percent. The degree of penetration of refrigerators will thus in 1986/87 have increased to 115 percent, of freezers to 65 percent, of washers to 100 percent, of color television to 95 percent, of vacuum cleaners to 120 percent. One can hardly expect any real decline in the energy consumption in that area.

ELSEVIER has learnt that Minister Van Aardenne of Economic Affairs told the SED a few days ago that the estimates of the rate of increase (3.5 percent) in the energy consumption, in his opinion, are on the low side. The minister, therefore, has asked that building plans for new power plants be accelerated. It is here a question of conventional power plants which make use of the fossil fuels of oil and coal. The possibility of starting the construction of a coal-burning power plant at Dordrecht a year earlier is also being studied now. This 600 M.W. power plant would, according to the expansion plan, be taken into use in 1986/87.

Although the Netherlands, despite the considerable price increases, has largely been ignoring endeavors to cut down its energy consumption, it is expected that, on a short-term basis, perhaps some kind of--temporary--reduction in the energy consumption, nevertheless, will be noticeable if the new exorbitant oil price increases are included in the natural gas prices. In 12 months, oil prices have doubled. The latest OPEC increases add still another sizeable amount on top of the cost. The combination of natural gas prices with that of oil will become painful to Dutch consumers. For the gas consumption exerts a considerably heavier pressure on the budgets of private households and industries. In the meantime, it has appeared that the households have been cutting down their gas consumption somewhat in 1979, despite the severe winter months of January and February. The domestic turnover hardly increased, which can be ascribed, among other things, to the positive effects of the national insulation plan and the 11 vacation days between Christmas and the New Year. Altogether, total sales of natural gas of the Netherlands last year increased from 89 billion cubic meters to 93.6 billion cubic meters. This increase was primarily due to an increase in the export of our gas from 45 to 49 billion cubic meters. In view of such large quantities flowing out of the country--which is nice to our balance of payments--the alarm at the 2 billion extra cubic meters of gas to the power plants appears to be somewhat exaggerated.

7262

CSO: 3105



## PCE'S EUROCOMMUNISM BECOMES PRAYED

Rotterdam NRC HANDELSBLAD in Dutch 25 Jan 80 p 4

[Article by correspondent Eppo Jansen: "Spanish PC Tireless Against Moscow"]

[Text] Madrid, 25 Jan--Santiago Carrillo, the head of the PCE, generally regarded as the "most Eurocommunist" of all, left today for Italy to visit his colleague Berlinguer. Besides, it may be assumed, they will discuss the Soviet invasion of Afghanistan, the exile of the Russian dissident leader Sakharov, and the international tensions which these two events have created.

The Spanish communists have not had any difficulty in expressing their indignation about both events in official statements. That was not surprising in itself. The Spanish communists--when still in exile--had previously condemned the Russian invasion of Czechoslovakia (1968).

Besides this, the PCE had regularly stood up in recent years for dissidents in eastern Europe. They even went several years ago as far as organizing a gala banquet in honor of Frantisek Kriegel, who meanwhile has died, one of the leaders of the Prague Spring, who later was completely disgraced. One of the reasons for that was that Kriegel worked as a doctor during the Civil War in the international brigades at the republican front.

However, the banquet did not take place, because Kriegel--somewhat predictable--did not get permission from the Czechoslovakian authorities to go to Madrid.

For the sake of completeness, it must be reported that a section of the PSUC [Unified Socialist Party of Catalonia], the one in Bajo Llobregat (near Barcelona) approved the Afghanistan



invasion by a small majority. Consequently it flatly contradicted the condemnation previously expressed by the PSUC Central Committee. In this case, it involves a section with many seasoned party veterans, who previously also opposed the elimination of the label "leninist" which the Spanish communists decided on at their last congress.

Compared with the overall picture of the Spanish communists, however, it does not appear much more than an incident that at the most indicates that they also have their dissidents. Moreover, the position of the veterans in Llobregat has not lead to any type of punitive measures. That shows that the Spanish communists are ready to take the principle of "democratic centralism" which they still officially support with a grain of salt.

The scepticism which prevails in many political circles in Spain--even among the socialists--about the PCE's "Eurocommunism" is based on the suspicion that, in this case, it involves an opportunistically chosen tactic, rather than a real conversion. The fact that the party leadership still is in the hands, to a great extent, of people who already have been around for decades--Carrillo is a typical case--and in the past frequently showed less positive respect for democratic principles naturally reinforces this distrust.

Conversely it appears certain that a large number--especially younger--supporters of the PCE would immediately turn their back on it, if it should not take a "Eurocommunist" position. The 40 years dictatorship has made many sensitive to new forms of totalitarian approach.

However, the essential problem for the PCE in Spain must be sought, for the moment, in a completely different context.

In the first period of the reformation process after Franco's death, the government did everything to involve the communists as much as possible in this process. In connection with this, it must be recognized that the PCE has acted with a great feeling of responsibility. On their part, the communists, after years of anticommunist indoctrination by Francoism, made every effort to appear as respectable as possible and especially not to give offense.

The communists were then the model students in Prime Minister Suarez's classes, while the socialists kicked up a row in the

back benches. As the most important opposition party, they considered themselves bound to build up their own image, which clearly contrasted with that of the government party, the UCD [Union of the Democratic Center].

As the relationships in Spain have begun to appear more like those elsewhere in Western Europe, the UCD and the socialists, PSOE [Spanish Socialist Workers Party] are starting to take each other more seriously, as the two poles between which power in Spain probably will move in the coming years.

Both parties have consciously cooperated in gradually isolating the PCE. Nothing is left of the privileged position which Carrillo occupied for some time as Suarez's intermediary.

Naturally Carrillo observed this development with disappointment and bitterness. In the purely political area, the influence of the PCE has definitely declined (it has 10.7 percent of the votes compared with the socialists who have 29.4 percent). This reaction has led to the communists taking more radical positions on domestic issues.

This is especially true for the trade union dominated by them. The CO [Workers Committees]. This trade union which has many more members than the socialist UGT [General Union of Workers] makes it possible for them to exercise an influence, which they do not have through their parliamentary representation.

However, the government and the CEOE [expansion unknown], the employer organization are attempting precisely to give the UGT more prestige, which fits in with the previously mentioned description of the two "poles."

This has been instrumental in the worker committees always trying to outdo the UGT with higher demands, precisely in recent months when an attempt was made to create a basis for labor relationships on the western European model.

It was widely assumed that they thereby acted under pressure of the PCE and operating on their own power, perhaps also would have accepted the conditions, which were satisfactory for the UGT. The fact that the PCE and the COs are persisting in their negative attitude towards the agreements reached, arouses apprehension that enforcing them will still create problems.

Obviously Carrillo now hopes to realize in this way his old dream of an "Italianization" of the Spanish situation. The

serious economic crisis thereby plays into his hands. But, on the other hand, the Spanish circumstances are so very different from those in Italy, that the development Carrillo hoped for does not appear in sight for the moment. Perhaps Berlinguer can suggest some ideas to him.

8490

CS0: 3105

## FIRST WOMAN ELECTED TO SWEDISH ROYAL MILITARY ACADEMY

Helsinki HELSINGIN SANOMAT in Finnish 25 Nov 79 p 30

[Article by Erkki Pennanen: "Finnish-Born Katarina Brodin Elected as First Woman to Swedish Royal Military Academy"]

[Text] Doctor of Philosophy Katarina Brodin, 45, who was born in Finland and spent her childhood years and youth in Helsinki, was recently elected as the first woman to the Swedish Royal Military Academy, which will soon complete its 200th year.

Katarina Brodin earns her living in the Swedish Ministry of Defense and applies herself to the long-term planning of a total national defense and security policy.

"Indeed, what is a woman doing in a military science academy and in a defense ministry? In some people's minds there perhaps looms the picture of a woman as a militarist and warmonger. If I were instead in an academy devoted to peace, everything would somehow be natural. Now I hate such a simplified thought process."

Katarina Brodin is temperamental and direct. In the Swedish she speaks one can hear a Finnish-Swedish influence. As a former resident of Helsinki Brodin willingly throws out a Finnish repartee as if she were further emphasizing her roots.

She explains that so many years have gone by since she lived in Finland and studied at the Swedish Commercial High School and the University of Helsinki that her Finnish has become rusty. She has long been a Swedish citizen, but she states that something permanent has remained from her political science studies in Helsinki under Jan-Magnus Jansson.

#### An Expert on Security Policy

Katarina Brodin is one of the leading experts on security policy in the Nordic area and Finland in particular. Her expertise is also valued in the Finnish Foreign Ministry. An indication of this is that the Foreign Ministry has

authorized its own distribution of Brodin's works and writings concerning Finland's security policy.

Having studied in the United States and at the famed London School of Economics in England Brodin worked for a long time in Sweden's Foreign Policy Institute. She says that she became involved in the research side of the Defense Ministry partly by accident. For the last 3 years she has worked in the secretariat of the Defense Ministry dealing with questions connected with the long-term planning of a security policy for the area and a total national defense.

"One of the tasks here is to keep abreast of developments in the international situation, form a total picture from it, and determine the risks of entanglement as well as their challenges and difficulties for Sweden."

And what does membership in the Royal Military Academy mean?

"It does not mean anything special," laughs the newest member of the academy being amused by the celebrity of the question. "It is an association, which has several meetings in a year. It is expected that one will participate in them in a reasonable manner. Moreover, the academy has its own publication to which it is expected that members will contribute when they have the time and want to say something publicly about their own area of expertise."

#### Sweden's Disturbing Big Brother Position

Each individual elected as a member must present an "inauguration speech", in which he is expected to discuss an issue connected with his own area of operation. The title of Katarina Brodin's speech was "Finland and Nordic Stability".

In her speech she took an understanding attitude toward the security policy being carried out by Finland and reminded the Swedes that Finland's post-war reevaluation has also liberated Sweden's policy of neutrality from many hidden problems.

Brodin reminded the Swedes that the century-old big brother position with respect to Finland has perhaps prevented the formation of a correct picture of Finland in the public mind.

Brodin admits that her Finnish background has certainly helped in understanding Finland's security and foreign policy problems. On the other hand, she emphasizes that she is an outsider and, therefore, examines issues from a slightly different point of view than the Finnish researcher.

Swedish public opinion is currently not as interested in Finland and its positions as it was during the war of liberation and during the winter war. On the other hand, sentimentality becomes involved in the position taken by the generation that experienced those times. The younger generation, for its



part, directs its attention toward countries that are farther away.

However, Finland's foreign policy is known and understood rather well in Sweden's decisionmaking and foreign policy circles, Brodin assures us.

#### What Is Nordic Equilibrium?

The Nordic security policy position is characterized with the concept of Nordic equilibrium, which, however, is treated delicately in Finland. Brodin readily recognizes that this concept is very vague and is more likely to misrepresent than clear things up. It is for this very reason that Brodin did not use this term in her speech.

"Talking about Nordic equilibrium is likely to raise more questions than for which there are answers. The picture it creates is too mechanical. Or if one superpower does something, it must unavoidably result in a situation in which the counterpart must do something in order to achieve retribution.

"Many get the wrong impression of a territorial military equilibrium of the East and the West in Northern Europe. This has not even been considered to be a goal worth striving for as far as local interests are concerned."

In her speech at the military academy Brodin pointed out that the strategic importance of the Nordic area has increased in the last decade. This has been effected by changes in nuclear strategy, sea rights, and oil technology.

According to Brodin development over the long run can bring new challenges and problems for the Nordic countries, at which time the mutual solidarity of the Nordic countries may also be tested. Therefore, the Nordic countries have reason to deliberate the significance and consequences of these possible changes.

All the Nordic countries are striving to limit the involvement of the superpowers in Nordic affairs. This may become more difficult in the future if superpower interest in the area increases as a result of global factors independent of the Nordic countries.

The actions of one party can easily result in countermeasures, and a chain of measures and countermeasures may create a situation in which the Nordic countries will not have much say with respect to its development.

#### Sweden's Defense and Neutrality

And what about Sweden's chances of maintaining the relative readiness of its defense forces at the previous level in the costly weapons technology competition of the 1980's?

Brodin emphasizes that a perceptible weakening of Sweden's defense readiness could disturb the prevailing situation in the Nordic area and entice the superpowers into some kind of a rearrangement already during peacetime.

Brodin selects her words with care and restraint since she is not only an expert on international politics, but an official of the Swedish Defense Ministry.

Thus she is reluctant to predict the development of Sweden's defense readiness, but points out that the role of defense readiness in Sweden's policy of neutrality will not change in any way.

"Today it is perhaps more important than ever to make certain that the outside world does not think Sweden's profile is changing in this respect."

10576

CSO: 8117/0562

## SYSTEMATIC FLAWS SAID TO BLOCK DEMOCRATIC GOVERNMENT

Istanbul MILLIYET in Turkish 11 Jan 80 p 2

[Article by Attorney Cengiz Ilhan]

[Text] Ataturk, Ismet Inonu, Celal Bayar, Adnan Menderes, Suleyman Demirel, Bulent Ecevit. If we summarize the democratic political life which Turkey has experienced since 1924 with this list of six or seven names, it is possible to characterize Turkish democracy as a "party leaders' democracy".

This has been the case despite the stipulation of the 1924 Constitution that "The Turkish Grand National Assembly is the sole rightful representative of the nation, and it exercises sovereignty on behalf of the nation"; this fact has not been greatly changed, either, by the stipulation of the 1963 Constitution which reads "The nation exercises its sovereignty -- which belongs to it without condition or limitation -- by means of the bodies empowered in accordance with the principles laid down by the Constitution." There is no doubt whatsoever that bills have never become law in a manner counter to the Constitution, and that no individual or state organ has ever exercised any right or authority in excess of the possibilities granted by the Constitution and the laws. Doubtless, the bills have been made into laws in the manner written in the Constitution, and both leaders and governments have been judged and even toppled all within the framework of the principles written in the Constitution. However, all of this is a matter of formal law; the fact that a political administration and its leadership, which is embodied in the person of the executive, are in keeping with formal legality should not prevent us from seeing the underlying social and political reality.

Except for the period of coalition governments that has continued from 1970 until the present, the legislative branch has always discussed those topics which the executive in power approved and passed laws which the executive considered desirable. The situation can be expressed in

this way: Formally, the executive is appointed by the legislative branch of the government, but, in reality, it is the administration and its leader that dominates the legislature. In other words, the legislature has been unable to go beyond merely being a body that ratifies and legitimizes the policy of the leader of the administration and the party in power; it has not been able to assert its authority over the administration and its leader. And the reason for this is the fact that the political administration really belongs to the political party -- and leader of that party -- which the electorate specifies through the election process.

And this is natural; today, it is obvious that a democracy of political parties has turned into a democracy of party leaders, and that the two have become synonymous. In many parts of the world, just as in Turkey, voters do not vote in order to place this or that individual in the legislature or to see this or that idea represented. In our time, the purpose of the vote is to choose the political administration, that is, the party and its leader which will administer the nation for a certain time period. Just as it can be said to be a matter of Carter or Ford, D'Estaing or Mitterrand, Callaghan or Thatcher, it is also a matter of Ecevit or Demirel. While this realistic aspect assumed by political democracy has taken on a constitutional framework in such nations as France and the United States, in other nations, such as England, it is brought about in an indirect manner through the election systems and party structures. In this way, democratic political life is arranged in such a way as to make it possible to bring to power the leader and party desired by the people -- or, more exactly, the ideas represented by the leader. Thus to believe in a democracy of parties means, in a sense, to put the leader which the public prefers, along with his party, into power. This is even more true in the case of Turkey, which has all along had its tradition of the strong leader.

Even if the system wherein the voters elect the political administration directly and that wherein they elect the legislature which in turn appoints the government have the same legal meaning, they are not the same insofar as the actual reality which is experienced under each system. Especially in nations with proportional representation and multi-party systems, bargaining -- or else disputes -- within the legislative body can often give rise to developments very different from the expectations of the electorate, and can put individuals and parties into power that the voters neither expect nor desire, just as has occurred in our nation during the past nine or ten years. In this way, abstracted, fictive administrations are brought about instead of real administrations. France is the birthplace of the parliamentary system, but this did not prevent the establishment of its Fifth Republic and its rescue from the Fourth Republic's senseless governments based on behind-the-scenes maneuvering in parliament.

#### Delicate Balance

A democratic political administration is a dynamic institution which must foresee and satisfy the expectations of the public. It is necessary that

arrangements be made in such a form as will enable the leader desired by the majority of the electorate to come to power, and that the political administration be afforded the opportunity to resolve the nation's problems and satisfy the public's expectations. Political administrations based on petty compromises and "hair-trigger" balances in parliament, such as those in contemporary Turkey, far from behaving in accordance with the desires and expectations of society, actually lose all their dynamism and, whether consciously or not, become a brake, or an impediment, which works against these desires and expectations. Of course, structural deficiencies in the institution of the political administration are not the only reason for the nation's social and economic problems. Yet it is still a fact that in recent years the political administration, consisting of the executive-legislative dyad, has become an impediment that works against a solution to the problems and against society's desires and expectations as well, and that this situation has caused the problems to become even more intractable. And this is not all; for as long as things continue in this way, it will be quite easy for the suspicions over the significance of the elections, which have begun to be very widespread recently, to turn into real despair. It should be kept in mind that this despair could, in a very dangerous process, even extend so far as to entail loss of faith in democratic political administration and in the democratic system itself. Certainly both Mussolini and Hitler, in founding their dictatorships, benefitted greatly from the governments of the time, which were based on transitory parliamentary alliances, and from the social environment caused by the institutional impediments of parliaments which were unable to exhibit any initiatives in keeping with public expectations, and which were structurally incompatible with such actions anyway. This situation applies even more in the conditions of our day, especially in countries like Turkey, where the economic and political problems have reached the crisis stage. For unstable political administrations based on compromises in the legislature rather than on the voters to implement any sort of social and economic policy in a consistent manner, even apart from the expectations of the public, is, as has frequently been observed, extremely difficult. Ad hoc and temporary solutions, lack of initiative, merely reacting to events as they occur, and excessive compromise are the primary characteristics of this sort of administration. And the worst part of it is that these characteristics have begun to gradually affect the type of the political leader and to be reflected in a way in the character of the leader, and that success in small compromises has begun to be the measure of a leader. The leader is no longer a person who dominates the political administration. His place has been taken by an individual who devotes himself to parliamentary calculations and alliances, who is expected to carry out large-scale policies by means of small compromises, but who of necessity becomes lost in small compromises — and of whom it is known beforehand that he will become lost in these compromises. This state of affairs is inconsistent with contemporary democratic political life, as well as with the "political leader" tradition that has existed for so long in our country.

Not only is this inconsistent, but it is also contradictory to a significant degree. For example, "radical tendencies" have prevailed among voters



in Turkey during recent years. The voters, conscious of the crises, have proved this by giving their votes to political parties which propose radical structural changes, or rather, to leaders who personally embody these ideas of the parties. And in turn they have obtained administrations so captive to compromises in the parliament that they cannot even make arrangements on such matters as taxes or rents. Even if one searched, one could not find images more suitable than these to make political democracy look ridiculous, to make voters regret their votes, and to inculcate the idea that "it is impossible for large-scale and effective policies to be carried out by means of political democracy."

#### Where is the Solution?

There is no doubt that this is a crisis; however, to seek or to point to an alternative to this crisis of the parliamentary system outside of political democracy, as some individuals or organizations have tried to promote, is simply incorrect. Likewise, finding solutions, or trying to find solutions, by proposing various artificial political alliances within the present parliamentary system is just as incorrect, no matter how attractive it might seem. Political democracy is not synonymous with the parliamentary system, nor does it consist necessarily of the form of government which is currently being practiced in Turkey. Solutions to the crisis of political democracy can be sought and found within both the concept and the institutions of a state founded on democratic social rights. The two conditions of the solutions sought must be to impart the political leader with a sense of identity and initiative, in a manner consistent with democratic traditions, and to facilitate the formation of a political administration in line with the propensities and preferences of the electorate. For instance: a presidential system, or an electoral system based on simple plurality.

There is no doubt that, as Duverger has stated, the system of proportional representation has no other meaning beyond that of articulating the thoughts of the voters. Voters are presently choosing governments by means of the plurality system in various nations. As elections are held more for governments to be selected rather than for ideas to be expressed, the plurality system would seem to be more appropriate to actual conditions and realities. Yet, even though the system of proportional representation has never provided a socialist party in Turkey with the opportunity of entering into the legislature, there is no doubt but that it has provided extensive opportunities for discussion. The Turkey of the future will benefit greatly from the ideas that emerge as a result of this multi-dimensional debate on both the left and the right. There should be no doubt that the original Turkish synthesis intended by the Constitution will develop out of these debates. From this standpoint, instituting a plurality system could give rise to undesired consequences, such as sterility and loss of dynamism in political life.

In contrast, a presidential system would bring a fully contemporary and legal framework to the concept of the strong leader which imbues our

democratic traditions; it would also allow the voters themselves to elect the government, while at the same time it could provide an opportunity for the generation and discussion of diverse and detailed ideas within the legislative bodies. Additionally, with such a system, parties would be given the opportunity to avoid such mistaken tendencies as retaining party leaders in spite of all their faults and sticking to the easy path of the familiar.

Most of Turkey's political and administrative institutions were established by utilizing models from France. But France abandoned these forms quite some time ago and, in spite of being the birthplace of the parliamentary system, replaced it with the presidential system.

Even if we are a little late, why shouldn't we take one more model from them?

9173

CSO: 4907

END

**END OF**

**FICHE**

**DATE FILMED**

June 2, 1980

